ANNUAL REPORT

OF THE

Indian Merchants' Chamber

FOR THE YEAR

1936

presented to the Annual General Meeting of the Chamber held on 26th January 1937

Published by

J. K. Mehta, M.A., Secretary, Indian Merchants' Chamber, Jehangir Wadia Building, Esplanade Road, Fort, Bombay.

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1937

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Indian Merchants' Chamber.

With the Secretary's Compliments.

Jehangir Wadia Building,
Esplanade Road, Fort,
Bombay.

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LIST OF MEMBERS

OF

THE INDIAN MERCHANTS' CHAMBER.

1937

Honorary Member:

MAHATMA GANDH

LIST OF MEMBERS

of

THE INDIAN MERCHANTS' CHAMBER

No.	Representative.	Member.	Trade.	Address.
1	Mr. Chunilal Devkaran Nanji	Messrs. Chugondas & Co. ..	Share Brokers	17, Elphinstone Circle, Fort, Bombay.
2	,, Bhagwandas Munmohundas ..	,, Munmohundas Ramji & Co.	Millowners, Agents and Piecegoods Merchants.	Patel House, Churchgate Street, Fort, Bombay.
3	,, Chatrabhuj Morarji ..	,, Morarji Velji & Sons.	Piecegoods merchants	Kalbadevi Road, Kolbhat Street, Bombay.
4	,, Jamnadas Devidas ..	,, Jethabhai Govindji & Co.	do.	Mulji Jetha Market, Sir Vithaldas Galli, Bombay.
5	,, Jethabhai Kalyanji ..	,, Valji Shamji & Co., ..	do.	Mulji Jetha Market, Chowk, Bombay.

6	Mr. Karsandas Thackersey	Messrs. Damodar Haridas & Co.	Piecegoods merchants	Mulji Jetha Market, Chikhal Galli, Bombay.
7	,, Devidas Madhowji Thackersey	,, Madhowji Thackersey & Sons	do.	Byramji Mansion Sir P. M. Road, Bombay.
8	,, Ramdas Madhowji ..	,, Ramdas Madhowji & Co.	do.	Mulji Jetha Market, New Narayan Chowk, Bombay.
9	,, Vithaldas Damodar Govindji.	,, Damodar Govindji Sons & Co., ..	do.	Govind Building, Princess St., Bombay.
10	,, Morarji Hemraj Kanji	,, Hemraj Kanji & Co.	do.	Mulji Jetha Market, New Govind Chowk, Bombay.
11	,, Hiralal Amritlal Shah	Mr. Hiralal Amritlal Shah	do.	Champsey Bldg., Princess Street, Bombay.
12	,, Haridas Purshottam Govindji.	Messrs. Purshotam Govindji & Co.	do.	Mulji Jetha Market, Chowk, Bombay.
13	,, Bhugwandas Vussonji	,, Kanji Karsan & Co.,	do.	56, Pedder Road, Bombay.
14	,, Mathuradas Dwarkadas	,, Lalji Naranji & Co.,..	Piecegoods merchants and Mill agents.	Ewart House, Tamarind Lane, Fort, Bombay.
15	,, Vaman Shridhar Apte	,, Vaman Shridhar Apte & Co.	Piecegood merchants	Mulji Jetha Market, Govind Chowk, Bombay.
16	The Hon. Sir Phiroze C. Sethna	The Hon. Sir Phiroze C. Sethna	General Merchant	Canada Building, Hornby Road, Fort, Bombay.
17	Mr. Madhowji Damodar Thackersey	Messrs. Thackersey Moolji & Co.	Millowners. Agents and Piecegoods merchants	16, Apollo Street, Fort, Bombay.
18	Mr. Chaturbhuj Gordhandas Sunderdas	Messrs. Mooljee Jaitha & Co.	Cotton	Ewart House, Tamarind Lane, Fort, Bombay.

No.	Representative.	Member.	Trade.	Address
19	Mr. Gordhandas Govindji..	Messrs. Morarji Govindji & Co., ...	Piecegoods merchants	Mulji Jetha Market, Chikahal Galli, Bombay.
20	,, Mulji Goculdas ..	,, Dharamsey Rattansey	do.	Laxmidas Khimji Market, Shaikh Memon St., B'bay.
21	,, Ramdas Ranchordas ..	,, Ranchordas Thakersey & Co.	do.	454-458, Kalbadevi Road, Bombay.
22	,, Jamnadas Harakhji Sanghvi.	,, Jamnadas Harakhji & Co.	do.	82, Dady Seth Agiari Lane, Bombay.
23	,, Jethmal Narandas ..	,, Jethmal Narandas & Co.	do.	Mulji Jetha Market, Sancha Galli, Bombay.
24	,, Dwarkadas Meghji ..	,, Haridas Keshavji & Co.	do.	Khan Bldg., Girgaum Road, Bombay.
25	,, Manilal Revashanker..	,, Revashanker Jagjivan & Co.	Jewellers	Khara Kuva, Shaikh Memon Street, Bombay.
26	Sir Purshotamdas Thakurdas	,, Narandas Rajaram & Co.	Cotton	Navsari Chambers, Outram Road, Fort, Bombay.
27	Mr. Govindji Ratansi Mulji	Mr. Govindji Ratansi Mulji	Share Broker	Feltham House, Ballard Estate, Fort, Bombay.
28	,, Dhanjibhoy B. Petit ..	Messrs. Dhanjibhoy B. Petit & Co.	General merchants	Union Bank Bldg., Apollo St., Fort, Bombay.

29	Mr, Govindlal Shivlal ..	Messrs. Raja Bahadur Shivlal Motilal	Shroff	"Shri Sadan" 15, Land's End Road, M. Hill, Bombay.
30	,, S. R. Bomanji ..	Mr. S. R. Bomanji.	Machinery and Millstores	Forbes Street, Fort, Bombay.
31	,, Hansraj Jivandas ..	Messrs. Khimji Vishram & Co.	Cotton	Dana Bunder, Broach Street, Bombay.
32	,, Kaikobad Cowasji Dinshaw.	,, Cowasji Dinshaw & Bros.	Millowners and Agents	121, Medows Street, Fort, Bombay.
33	,, Mathuradas Vissanji ..	Mr. Mathuradas Vissanji ..	Cotton	9, Wallace Street, Fort, Bombay.
34	,, Govindram Harsomal..	Messrs. Tarachand Ghanshamdas	Shroff	Jhaveri Bazar, Shaikh Memon Street, Bombay.
35	,, Karsandas Mulji Jetha	Mr. Karsandas Mulji Jetha.	Cotton	Ewart House, Tamarind Lane, Fort, Bombay.
36	,, Velji Lukhamsi Nappoo	The Grain Merchants' Association ..	Trade Association	262, Musjid Bunder Road, Bombay.
37	,, Anandrao Khanderao	The Indian Mercantile Insurance Co. Ltd. ..	Insurance	Byramji Mansion, Sir P. M. Road, Fort, Bombay,
38	,, N. M. Raijee ..	Messrs. S. B. Billimoria & Co.	Auditors	113, Esplanade Road, Fort, Bombay.
39	,, R. D. Lam. ..	,, Tata Sons, Ltd. ..	Millowners & Agents	Bombay House, Bruce St., Fort, Bombay.
40	,, Dadabhai J. Registrar	The Berar Mfg. Co., Ltd. ..	Textile Mills	Lloyd Building, Ballard Estate, Fort, Bombay.
41	,, Hirjibhai Shapurji Patuck	Messrs. H. S. Patuck & Co.	Import-Export	Nagri Building, Custom House Road. Fort, Bombay.

No.	Representative.	Member.	Trade.	Address.
42	Sir Kikabhai Premchand..	Messrs. Premchand Roychand & Sons. Ltd.	Share Brokers	Apollo Street, Fort, Bombay.
43	Dr. M. Venkatrao ..	,, N. Powell & Co., ..	Pharmaceutical and Surgical Instruments	Lamington Road, Bombay.
44	Mr. Nahalchund Laloochund	Mr. Nahalchund Laloochund	Yarn	Tamba Kanta, Pydhonie, Bombay.
45	,, Bharata K. S. Aiyar ..	Messrs. K. S. Aiyar & Co. ..	Auditors	65, Apollo Street, Fort, Bombay.
46	,, Dulerai Vanechand Desai	,, Hirachand Vanechand Desai & Co., ..	Cotton	22, Apollo Street, Bombay.
47	Prof. Sohrab R. Davar ..	,, Davar's College of Commerce ..	Commercial Institute	80-82, Esplanade Road, Fort, Bombay.
48	Mr. Phirozeshaw N. Mehta	Messrs. P. N. Mehta & Co...	Yarn, Piecegoods and Machinery importers	Cook's Building, Hornby Road, Fort, Bombay.
49	,, Nandlal Kilachand ..	,, Kilachand Devchand & Co. Ltd... ..	Grain	Allahabad Bank Building, Apollo St., Fort, Bombay.
50	Sir Sorabji N. Pochkhanavala	The Central Bank of India, Ltd.	Bankers	Esplanade Road, Fort, Bombay.
51	Mr. Mohanlal Ambalal Parikh	The Bombay Shroff Association	Trade Association	Shroff Bazar, Shaikh Memon Street, Bombay.

52	Mr. Mathuradas Govindji..	Messrs. Gokalbhai Dolatram & Co.	Cotton	170-72 Kalbadevi Road, Bombay.
53	,, Liladhar Javerchand ..	,, Mulchand Vussanji & Co.	do.	90, Bazar Gate Street, Fort, Bombay.
54	,, Dwarkadas Tribhovandas	Mr. Dwarkadas Tribhovandas	do.	Shingani Building, Marwari Bazar, Bombay.
55	,, R. D. Patel.	Messrs. Patel Bros.	do	Patel House, Churchgate St., Fort Bombay.
56	,, Hormasji D. Jassoobhoy	,, Chandabhoy & Jassoobhoy.	Auditors	43, Apollo Street, Fort, Bombay.
57	,, Fakirmahomed C. L. Sajun.	,, C. L. Sajun & Co. ..	Rice	Carnac Bunder, Bombay.
58	,, Vithaldas Liladhar Bhimji	Mr. Vithaldas Liladhar Bhimji	General Merchant	Princess Street, Bombay.
59	,, M. V. Subiah	The Commission and General Agency	Commission Agents and Contractors	Ali Building, Nagarthpet, Bangalore City.
60	,, Dwarkadas Kalyandas	Mr. Dwarkadas Kalyandas..	General Merchant	Ridge Road, Malabar Hill, Bombay.
61	,, Lakhmidas Rowji Tairsee	Messrs. Lakhmidas & Co. ..	Commission Agents	29-31-33, Bora Bazar Street, Holi Chakla, Bombay.
62	,, Kirtilal Manilal ..	,, Surajmal Lallubhai & Co.	Jewellers	Kalbadevi Road, Bombay.
63	,, Maneklal A. Mehta ..	Messrs. Nagindas & Maneklal	Income-tax Experts	Ravelin Street, Hornby Road, Fort, Bombay.
64	,, Sankalchand G. Shah..	The Bombay Yarn, Copper and Brass Native Merchants' Assn.	Trade Association	Tamba Kanta, Pydhonie, Bombay.

No.	Representativ.	Members.	Trade	Address.
65	Mr. Dalpatram B. Trivedi	Messrs. Trivedi & Co., ..	Iron	Navsari Chambers, Outram Road, Fort, Bombay.
66	,, K. C. Kataria ..	The Punjab National Bank, Ltd.	Bankers	Ghasvala Building, Sir P. M. Raod, Bombay.
67	,, Jamnadas Dayalji Mehta	Messrs. Pitamber & Co. ..	Freight Brokers & Coal Merchants	Sudama House, Wittet Rd., Ballard Estate, Fort, Bom
68	,, Bhailal Dajibhai Amin	The Alembic Chemical Works Co. Ltd.,	Pharmaceutical and Spirits	Baroda Camp.
69	,, A. D. Shroff	Messrs. Batlivala & Karani.	Share Brokers	Dalal Street, Fort, Bombay
70	,, Maneklal Manilal Ranchhoddas Pari. ..	Mr. Maneklal Manilal Ranchhoddas Pari ..	Shroff	Manek Chawk, Ahmedabad
71	,, Phiroze J. Bilimoria ..	The Indian Cement Co., Ltd.	Cement	Bombay House, Bruce Street Fort, Bombay.
72	,, M. A. J. Noble ..	Mr. M. A. J. Noble ..	General Merchant	Graham Bldg., Parsi Bazar St., Fort, Bombay.
73	,, Shoorji Vallabhdas ..	Messrs. Shoorji Vallabhdas & Co.	Piecegoods merchants.	Cutch Castle, Sandhurst Road, Bombay.
74	,, Narsidas Jekisandas Gangadas ..	Mr. Narsidas Jekisandas Gangadas	Millowner & Agent	Shahibag, Ahmedabad.

75	Mr. Jiwandas Doongursee	Messrs. Doongursee & Sons..	Wool Merchants	59, Forbes Street, Bombay.
76	,, Ramnivas Ramnarain	,, Harnundrai Ramnarain	Cotton	C/o Phoenix Mill, Ltd., 143, Esplanade Road, Bombay.
77	,, Hormasji Bapuji Gazdar	Mr. Hormasji Bapuji Gazdar.	Colour etc.	Beach House, Neapen Sea Rd., Malabar Hill, Bombay.
78	,, T. M. Rangachari ..	,, T. M. Rangachari ..	Import-Export	Poonamallee High Road, Vepery, Madras.
79	,, Walchand Hirachand..	,, Walchand Hirachand ..	Cotractor & Commission Agent	Phoenix Building, Ballard Estate, Bombay.
80	,, Mansukhlal Atmaram Master	,, Mansukhlal Atmaram Master	Shipping	Sudama House, Wittet Road, Ballard Estate, Bombay.
81	,, Damodar Govindji Madhowji.	Messrs. Govindji Madhowji & Co.	Coal & Insurance Agents	16, Apollo Street, Bombay.
82	,, Bhagwandas Goverdhandas ..	Mr. Bhagwandas Goverdhandas ..	Cotton	9, Wallace Street, Fort, Bombay.
83	,, Mathuradas Canji Matani	Messrs. Kanji Dwarkadaswala	Rice	53, Mint Rd., Fort, Bombay.
84	,, Madhavlal Makanji ..	,, Madhavlal & Co., Ltd.	Coal	Alice Building, Hornby Road, Bombay.
85	,, Nemchand Popatlal Vohora	,, C. K. Vohora & Co.,..	Machinery and Millstores	Saker Bazar Cross Lane, Railway Pura Post, Ahmedabad.
86	,, Nandlal Madhavdas ..	,, Amersey Damodar ..	Cotton	106, Bhuleswar Road, Bombay.
87	,, Kekhushru Manekji Cooper. ..	,, K. & J. Cooper ..	Educational Publishers	Soonama House, Cumballa Hill, Bombay.

No.	Representative.	Member.	Trade	Address.
88	Mr. Narandas Keshoordas	Messrs. Lalji Godhoo & Co.,	Spices	Samuel Street, Vadgadi, Bombay.
89	,, Manilal Balabhai ..	,, Manilal Balabhai & Co., ...	Import-Export	Lentin Chambers, Dalal St., Fort, Bombay.
90	,, Shantidas Askuran ..	Mr. Shantidas Askuran ..	Cotton	"Shanti Nivas," Nepean Sea Road, Bombay.
91	,, Vyas Laxmishanker Narbadashanker ..	,, Vyas Laxmishanker Narbadashanker ..	do.	Engineer, The Vasant Spg. & Wg. Mill, Broach.
92	Sir Ishwardas Lukhmidas	Sir Ishwardas Lukhmidas ..	Yarn	" Garden View " Hughes Road Bombay.
93	Mr. Ishwarlal Ganpatram Gajjar	Mr. Ishwarlal Ganpatram Gajjar	Colour and Medicines	15 D, Carmichel Road, opp. Pedder Road, Bombay.
94	,, Vassanji Naranji Bhimji	,, Vassanji Naranji Bhimji	Landlord	Vadgadi ,Mandvi, Bombay.
95	Sir Rahimtulla M. Chinoy	Messrs. F. M. Chinoy & Co.,	Motor cars, etc.	Band Stand, Chowpatty, Bombay.
96	Mr. Jal Hormasji Billimoria	,, Pallonjee Eduljee & Son	Sanitary Engineers & Contractors	New Charni Road, Girgaon, Bombay.
97	,, Velji Lukhamsi Nappoo	,, Nappoo Nensee & Co.	Grain	188, Argyle Road, Dana Bunder, Bombay.

98	Mr. Ali Mahomed Mecklai	Messrs. Ali Mahomed Mecklai & Co.	Exchange, Finance & Bullion Brokers	99, Esplanade Road, Fort, Bombay.
99	,, J. H. Bhabha ..	The Tata Hydro Electric Power Supply Co. Ltd.	Eletric Power	Bombay House, Bruce Street, Bombay.
100	,, Dwarkadas Jekisondas	Mr. Dwarkadas Jekisondas ..	Landlord	Dwarkadas Mansion, Sandhurst Road, Bombay.
101	,, Hansraj Haribhai ..	Messrs. Hansraj & Co. ..	Share Brokers	20, Elphinstone Circle, Fort, Bombay.
102	,, Vallabhdas Runchordas	,, Vallabhdas Runchordas & Co. ..	Gramophones. etc.	Mahim, Bombay 16.
103	,, Kapilram H. Vakil ..	Mr. Kapilram H. Vakil. ..	Salt, Consulting Chemist & Technologist	Navsari Building, Hornby Road, Bombay.
104	,, Baldevdas Dalshukhram Dave.	Messrs. Somnath Rupjidas Patel.	Raw Silk	35, 3rd Bhoiwada Bhulcshwar, P. O. Box. 2080, Bombay.
105	,, Dawood Haji Nassur ..	,, Nassur Haji Mavji & Co.	Import-Export	Nassur Building, Mahomadalli Road, Bombay.
106	,, Amratlal Amerchand ..	,, Amratlal Amerchand & Sons	Grain	36, Kazi Sayed Street, Mandvi, Bombay.
107	,, Laxmidas G. Tejpal ..	Mr. Laxmidas G. Tejpal ..	Mining	7, Bastion Road, Fort, Bombay.
108	,, Morarji Premji Goculdas	Messrs. M. P. Goculdas & Co.	Insurance Agents	Yusuf Building, Churchgate St., Fort, Bombay.
109	,, Behram N. Karanjia ..	Mr. Behram N. Karanjia ..	Silk and General Merchant	Mahomedbhoy Mansion, 13, Hughes Road, Bombay.
110	,, Sarabhai Prataprai ..	Mr. Sarabhai Prataprai ..	Import-Export	"Madhuli," Grant Road, Bombay.

No.	Representative.	Member.	Trade	Address.
111	Mr. Gordhandas Parshottamdas ..	Messrs. Narrondas Manordas & Co.	Jewellers	Shaikh Memon Street, Bombay.
112	,, R. J. Duff ..	The New India Assurance Co., Ltd.	Insurance	Central Bank Building, Esplanade Road, Bombay.
113	,, Anandji Kanji ..	Messrs. Kanji Cursondas & Co.	Millowners & Agents	187, Hornby Road, Bombay.
114	,, Jamnndas Vassanjee..	The Bombay Swadeshi Co-operative Stores Co. Ltd.	General Merchants	Cruikshank Road, Fort, Bombay.
115	,, Maganbhai P. Amin ..	Messrs. Maganbhai Amin & Co.	Machinery and Millstores	32, Apollo Street, Fort, Bombay.
116	,, Dhirajlal Maganlal ..	,, Purshotam Pranvallubh & Co. ..	Share Brokers	Dalal St., Share Bazar, Bombay.
117	,, Aboobaker Abdulrehman	,, Aboobaker Abdulrehman & Co. ..	Cotton	14, Custom House Road, Fort, Bombay.
118	,, Tulsidas Karsandas ..	,, Parmanand Karsandas Hargovan. ..	Piecegoods Merchants	Mulji Jetha Market, Chowk, Bombay.
119	,, S. D. Shethia	,, Shivji Dharamsey Shethia & Co ..	Coal	Graham Building, Parsee Bazar St., Fort, Bombay.
120	,, Jamnadas Ramdas ..	,, Tulsidas Ramdas ..	Cotton	18-22, Marwari Bazar, Bombay.

121	Mr. Pragji Dayal Hariani	Mr. Pragji Dayal Hariani ..	General Merchant	112, D'Souza Street, Mandvi, Bombay.
122	,, Jivanlal Chimanlal Setalvad.	Messrs. J. C. Setalvad & Co.	Insurance	Jehangir Wadia Building, Esplanade Road, Bombay.
123	,, Kalyanji Narandas ..	,, Narandas Bhavanji & Co.	Colour	Gadhsisa (Cutch)
124	,, Rattansey Hirji ..	,, Hirji Govindji & Co.,	Grain	45, Baroda St. Dana Bunder, Bombay
125	,, Mohanlal Hemchand Jhaveri. ..	Messrs. Chimanlal Mohanlal & Co.	Jewellers	Patel Building, Javeri Bazar, Bombay.
126	,, Chimanlal Keshavlal Shah	The Gujarat Oil Mill & Mfg. Co., Ltd.	Oil-milling	Asarva, Post Railwaypura, Ahmedabad.
127	,, Ratan C. Gazdar ..	Messrs. Bomanji C. Gazdar & Co.	Coal	16, Apollo Street, Fort, Bombay.
128	,, Hooseinbhoy Hassum..	Mr. Hooseinbhoy Hassum ..	Grain & seeds, sugar and Piecegoods	168, Samuel Street, Bombay.
129	,, B. K. Setalvad ..	The Universal Fire & General Insurance Co., Ltd.	Insurance	Cawasji Patel Street, Fort, Bombay.
130	,, Dharamsey Mulraj Khatau	The Sholapoor Spg. & Wg. Co. Ltd.	Textile Mills	Sudama House, Wittet Road, Ballard Estate, Bombay.
131	,, Lakhmidas G. Dossa ..	Messrs. Goculdas Dossa & Co.	Cotton	22, Apollo Street, Fort, Bombay.
132	,, Dorab Bomanji Kapadia	Mr. Dorab Bomanji Kapadia	Insurance Agent	C/o Mr. N. H. Katrak, Hirji Mansion, Gowalia Tank Road, Bombay.
133	,, Motiram Waghji ..	,, Motiram Waghji ..	Piecegoods	112, New Chinch Bunder, Mandvi. Bombay.

No.	Representative.	Member.	Trade.	Address.
134	Mr. Chunilal Baldevdas ..	Mr. Chunilal Baldevdas ..	Yarn, Copper and Brass	C/o Gordhandas Mulchand, 2nd Bhoiwada, Bhuleswar, Bombay.
135	,, Ratanchand Hirachand	The Premier Costruction Co., Ltd.,	Contractors	Phoenix Building, Ballard Estate, Bombay.
136	,, H. H. Belgaumwalla..	Mr. H. H. Belgaumwalla ..	Cotton	Hubli.
137	,, Nensey Tejpal ..	Mr. Nensey Tejpal	Contractor	Nane Colaba, Thomas Street, Bombay.
138	,, Behram N. Karanjia..	The Silk Merchants' Association	Trade Associatian	Shri Kirshna Nivas, Kalbadevi Road, Bombay.
139	,, S. J. Pandya	The Scindia Steam Navigation Co. Ltd.	Steamship Company	Sudama House, Wittet Road, Ballard Estate, Fort, Bom.
140	,, Hooseinbhoy A. Lalljee	Messrs. Abdullabhoy Lalljee & Co.	General Merchants	Standard Bldg., Hornby Road, Bombay.
141	Sir M. Visvesvaraya ..	Sir M. Visvesvaraya ..	General Business	Uplands, High Ground, Bangalore.
142	Mr. M. G. Metha	Messrs. Bakubhai Ambalal & Co.	Import-Export	Mohamed Building, 27, Bastion Road, Fort, Bombay.
143	,, A. M. Lala . ..	,, Nanavati Vevaina & Co.	Coal	Sudama House, Wittet Road, Ballard Estate, Bombay.

144	Mr. B. J. Modi	The Jupitar General Insurance Co. Ltd. ..	Insurance	Ewart House, Tamarind Lane, Fort, Bombay.
145	,, B. M. Bhargava ..	The Union Bank of India, Ltd.	Bankers	Apollo Street, Fort, Bombay.
146	,, Gulabchand Nagin-chand	The Pearl Merchants and Jewellers' Association.	Trade Association	25-39, Mumbadevi Road, Bombay.
147	,, Rustomji Nowroji Bapasola..	Mr. Rustomji Nowroji Bapasola	Manufacturers' Representative	10, Forbes Street, Fort, Bombay.
148	,, Manmohandas Madhav-das Amersey ..	Messrs. Amersey & Sons. ..	Cotton	Sudama House, Wittet Road, Ballard Estate, Bombay.
149	,, Lalji Rowji Khant ..	,, Shoorji Vallabhdas Colour Co. ..	Colour	Vadgadi, Bombay.
150	,, Ratansi Karsondas ..	,, Karsondas Ranchhor-das	Commission Agents and Contractors	60, Bazar Gate Street, Fort, Bombay.
151	,, Jehangir P. Katgara ..	,, Jeena & Co.	Import-Export	Gresham Building, Esplanade Road, Fort, Bombay.
152	,, Morarji Mulraj Khatau	The Khatau Makanji Spg. & Wg. Co. Ltd. ..	Textile Mills	Laxmi Building, 2 B, Ballard Pier, Bombay.
153	,, Khursedji Limji ..	The Bombay Cycle and Motor Agency, Ltd.	Motor-cars, etc.	534, Sandhurst Bridge, Chowpatty, Bombay.
154	,, Nassurvanji S. Guzdar	Messrs. Nassurvanji S. Guzdar & Co. ..	General Merchants	Canada Building, Home Street, Fort, Bombay.
155	,, Gordhandas Goculdas.. Morarji	Mr. Gordhandas Goculdas Morarji	Piecegoods	Harkness Road, Walkeshwar, Bombay,
156	,, B. Das	,, B. Das	Consulting Engineer	P. O. Chandani Chowk, Cuttack.

No.	Representative.	Member.	Trade	Address
157	Mr. Chaturbhuj Khiasee..	Messrs. Chaturbhuj Khiasee & Co.	Rice	81-83, Chinch Bunder Road, Bombay.
158	„ Vishvanath P. Vaidya	Mr. Vishvanath P. Vaidya..	Barrister	Fort Chamber, 6-10, Dean Lane, Fort, Bombay.
159	„ S. D. Saklatvala ..	Messrs. Tata Mills, Ltd. ..	Textile Mills	Bombay House, Bruce Street, Fort, Bombay.
160	Sir Nowroji B. Saklatvala	The Svadeshi Mills Co., Ltd.	do.	Bombay House, Bruce Street, Fort Bombay.
161	Mr. Mafatlal Gagalbhai ..	The Standard Mills, Co., Ltd.	do.	29, Rustom Building, Churchgate St., Bombay.
162	„ Chamanlal Girdhardas Parekh	The Industrial Bank of Western India, Ltd. ..	Bankers	Mirzapur Road, Ahmedabad.
163	„ Ahmed Habib ..	Messrs. Khoja Mithabhai Nathoo	Import-Export, Metal, Cotton & Oilseeds	Hanuman Building, Tamba Kanta, Bombay.
164	Sir. Hormasji P. Mody ..	Sir. Hormasji P. Mody ..	Merchant & Industrialist (Tata's)	Cumballa Hill, Bombay.
165	Mr. Shantikumar Narottam Morarjee.	Mr. Shantikumar Narottam Morarjee.	Shipping	Juhu, Via Santa Cruz.
166	„ C. B. Nanavati ..	The Eastern Bunkerers Ltd.	Coal	Sudama House, Wittet Road, Ballard Estate, Fort, Bombay.

167	Mr. Shiavax C. Cumbata..	Messrs. Shiavax C. Cumbata & Co. Ltd. ..	Colliery Agents, Stevedores, Dubash & Contractors	Cook's Building, Hornby Road, Fort, Bombay.
168	Sir Currimbhoy Ebrahim, Bart.	Sir Currimbhoy Ebrahim, Bart.	Merchant	Jiji House, Ravelin St., Fort, Bombay.
169	Khan Bahadur Phirojshaw D. Patel	Khan Bahadur Phirojshaw D. Patel.	Piecegoods and Commission Agents	C/o Messrs. Patel Tyeji & Co., Currimbhoy House, Waudby Road, Bombay.
170	Mr. Chunilal B. Mehta ..	The Bombay Bullion Exchange, Ltd. ..	Trade Association	171, Shroff Bazar, Bombay.
171	,, Mafatlal Gagalbhai ..	Mr. Mafatlal Gagalbhai ..	Millowner & Agent	29, Rustom Building, Churchgate St. Bombay.
172	,, M. C. Ghia	Messrs. M. C. Ghia & Co. ..	Millstores, Oil, Colour, etc.	24, Elphinstone Circle, Fort, Bombay.
173	The Hon'ble Raja Sir S. R. M. Annamalai Chetty...	The Hon'ble Raja Sir S. R. M. Annamalai Chetty. ..	Bankers	"Natana Vilas," 38, P. C. Road, Vepery, Madras.
174	Mr. Nagindas G. Shah ..	Messrs. Sankalchand G. Shah & Co.	Yarn, Sugar, Cotton, Metal, Piecegoods Brokers & Import-Export	Hanuman Building, Tamba Kanta, Bombay.
175	,, Meyer Nissim	Mr. Meyer Nissim	Import-Export	Menkwa Building, Outram Road. Fort, Bombay.
176	,, J. D. Writer	Dr. D. Writer & Co. ..	Confectionery	Bhavanishanker Road, Dadar, Bombay.
177	,, Popatlal Girdharlal ..	Messrs. Popatlal Girdharlal & Co.	Yarn and Machinery	49, Apollo Street, Fort, Bombay.
178	,, Keshavprasad C. Desai	The Industrial & Prudential Assurance Co. Ltd.	Insurance	Jehangir Wadia Building, Esplanade Road, Bombay.
179	Rai Saheb Baboo Motilalji	Messrs. Rai Bahadur Bhagchand	Bankers	Juhar Palace, Kalbadevi Road, Bombay.

No.	Representative.	Member.	Trade	Address.
180	Mr. Dhirajlal C. Mody ..	The Gujarati Type Foundry	Type Founders and Machinery	Gaiwadi, Girgaon, Bombay.
181	,, Manu Subedar.. ..	Mr. Manu Subedar	General Merchant	Kodak House, Home St., Fort, Bombay.
182	,, G. F. Munshi.	The Gujrat Islam Match Mfg. Co. Ltd.	Match manufacturers	Kankaria Road, Ahmedabad.
183	,, Kalyanbhai Sarabhai Javeri..	Messrs. Sarabhai & Sons. ..	Import-Export and Commission Agents	Bombay Mutual Life Bldg. Hornby Road, Bombay.
184	,, Sankalchand G. Shah	The Sugar Merchants' Association ..	Trade Association	Sugar Market, Bombay.
185	,, K. M. Shinker ..	The Indian Co-operative Navigation & Trading Co. Ld.	Shipping	Keshavji Building, 149, Frere Road, Bombay.
186	,, C. R. H. Readymoney	India International Co. ..	Import-Export and Commission Agents	Readymoney Mansion, Churchgate St., Bombay.
187	,, Narayanlal Bansilal Pittee	Mr. Narayanlal Bansilal Pittee. . .	Bankers	205-207-209, Kalbadevi Road, Bombay.
188	,, S. Bhattacherjee ..	The Bengal Luxmi Cotton Mills, Ltd. ..	Textile Mills	28, Pollock Street, Calcutta.
189	,, Tricumdas D. Morarji	The Dharamsi Morarji Chemical Co. Ltd.	Chemicals Manufacturers	Sudama House, Wittet Road, Ballard Estate, Bombay.

190	Mr. Bhogilal Laherchand Javeri.	Messrs. Batliboi & Co. ..	Machinery. Mill-stores, Pearl & Diamond Merchants	Forbes Street, Fort, Bombay.
191	,, Mahomed Akbar A. Fazalbhoy. ..	,, A. Fazalbhoy & Sons.	Motor cars, etc.	C/o Bombay Radio Co., Ltd., 16 New Queen's Rd., Bom.
192	Sir Byramjee Jeejeebhoy..	Sir Byramjee Jeejeebhoy. ..	General Metchant	Alice Building, Hornby Road, Fort, Bombay.
193	Mr. B. S. Lalkaka ..	The Pioneer Magnesia Works	Chloride manufacturers	Chartered Bank Building, Esplanade Rd., Fort, Bom.
194	,, Dharamsey Mulraj Khatau. ..	Mr. Dharamsey Mulraj Khatau ..	Cement	Laxmi Building, 2B Ballard Pier, Fort, Bombay.
195	,, Jehangir Ruttonji Dubash	,, Jehangir Ruttonji Dubash ..	Grain, Sugar and spices	24, Carnac Bridge Road, Akbar Press, Bombay.
196	,, Govinddas Maneklal ..	,, Govinddas Maneklal ..	General Merchant	Mathuresh Bhuvan, Shahi Baug, Ahmedabad.
197	,, Purshotamdas Harkisondas Shah..	Messrs. Bhaidas Cursondas & Co. ..	Cotton	7/10, Elphinstone Circle, Fort, Bombay.
198	,, Bhagwandas Ramchund	,, Narottamdas Ramchund & Co. ..	Brokers	C/o Mackinon Mackenzie & Co., Ballard Estate, Bom.
199	,, Vrajlal Jivandas ..	,, Laxmidas Vrajlal & Co. ..	Piecegoods	100-102, V. J. Patel Road, Bombay.
200	,, J. K. Dubash	Mr. J. K. Dubash	Landing & Shipping Brokers	Dady House, Churchgate Street, Bombay.
201	,, Ratansi Mulji	Messrs. Vussonji Morarji ..	Cotton Brokers	36, Holi Chakla, Fort, Bombay.
202	,, Babubhai Manji Sanghvi ..	,, R. Ratilal & Co. ..	Grain & Seeds, Cotton and Commission Agents	Teju Kaya Bldg., Old Chinch Bunder Road, Bombay.

No.	Representative.	Member.	Trade	Address.
203	Mr. Jagmohundas Kaliandas ..	Mr. Jagmohundas Kaliandas	Broker and Landlord	"Krishna Kunj" Ridge Road, Bombay.
204	,, M. S. Captain	Messrs. Captain & Vaidya ..	Solicitors	121, Esplanade Road, Fort, Bombay.
205	,, Lachmandas Harkh chand Daga ..	,, Rai Bahadur Bansilal Abirchand.	Millowners and Bankers	558/62, Shaik Memon Street, Bombay.
206	,, Nanji Ladha. ..	,, Kurpal Harsi & Co.,..	Rice	New Chinch Bunder Road, Bombay.
207	,, Chunilal B. Mehta ..	,, Chunilal Mehta & Co.	Cotton and Bullion	51, Marwari Bazar, Bombay.
208	,, Ratilal M. Nanavati ..	,, Kantawala Nanavati & Co. Ltd.	Chemicals and Millstores	28, Apollo St., Fort, Bombay.
209	,, Manu Subedar ..	,, Jeewanlal (1929) Ltd.	Aluminum ware merchants & manufacturers	Kodak House, Hornby Road, Bombay.
210	,, Sultan Chinoy ..	The Bombay Garage ..	Motor cars etc.	Opp. Band Stand, Chaupatty, Bombay.
211	,, Ahmed N. Futehally.	Messrs. N. Futehally & Co. ..	Import-Export	19, Bank Street, Fort, Bombay.
212	,, Ballabhdas Eshwardas Agrawal.	Mr. Ballabhdas Eshwardas Agrawal. ..	Cotton, Grain and Railway Contractor	183, Hornby Road, Fort, Bombay.

213	Mr. Bhawanji A. Khimji	Messrs. Arjan Khimji & Co.	Cotton	Navsari Chamber, Outram Road, Fort. Bombay.
214	,, Karamchand Chunilal	Mr. Karamchand Chunilal ..	Share Broker	Sriram Mansion, Sandhurst Road, Bombay.
215	,, Kasturbhai Lalbhai ..	,, Kasturbhai Lalbhai ..	Millowner & Agent	Pankore's Naka, Ahmedabad.
216	,, Rustom Pestonji Masani ..	,, Rustom Pestonji Masani	General Merchant	118-20, Parsee Bazar St., Fort, Bombay.
217	,, Dwarkadas Chhotalal Vakil.	,, Dwarkadas Chhotalal Vakil ..	Insurance Agent	45, Apollo Street, Fort, Bombay.
218	Rao Bahadur Laxman Vishwanath Pophale	Rao Bahadur Laxman Vishwanath, Pophale	Ginning & Pressing Factory	Malegaon (Nasik District)
219	Mr. Pannalalji Hiralalji ..	The Mahaboob Shahi Kulbarga Mills Co., Ltd.	Textile Mills	1727, Gunj Bazar, Secunderabad (Dn.)
220	,, M. L. Dahanukar ..	Mr. M. L. Dahanukar. ..	Building Contractor	Shri Krishna Nivas, Kalbadevi Road Bombay.
221	,, K. M. Madon	The Tata Iron & Steel Co. Ltd.	Iron & Steel Manufacturers	Bombay House, Bruce Street, Fort, Bombay.
222	,, Karsandas Vissanji ..	Messrs. Vissanji Sons & Co.	Wheat and Flour Merchants	9, Wallace Street, Fort, Bombay.
223	,, Nemchand Abhechand	,, Nemchand Khimchand Co.	Pearl Merchants	182, Shaikh Memon Street, Bombay.
224	,, Motilal Bawalal ..	Mr. Motilal Bawalal. ..	Share Broker	Dalal Street, Fort, Bombay.
225	,, S. C. Majumdar ..	Hindusthan Co-operative Insurance Society, Ltd.	Insurance	Commissariat Bldg., Hornby Road, Fort, Bombay.

No.	Representative.	Member.	Trade	Address.
226	Mr. Hargovandas Jeevandas ..	Mr. Hargovandas Jeevandas	Cotton Broker	Diamond Bldg., Lohar Chawl, Bombay.
227	,, Ebrahim Curmally ..	Messrs. Curmally Janmahomed ..	Import-Export	160-62, Samuel Street, Bombay.
228	,, N. W. Gurjar ..	,, Kirloskar Bros. Ltd.	Manufacturers of agricultural implements	Kirloskarvadi, (Dist. Satara).
229	,, G. S. Ranade ..	The Maharashtra Chamber of Commerce. ..	Chamber of Commerce	Phoenix Building, Ballard Estate, Fort, Bombay.
230	,, Jayantilal Devidas ..	Mr. Jayantilal Devidas ..	Iron Merchant	Carnac Bunder, Bombay.
231	Khan Bahadur D. B. Cooper ..	The Cooper Engineering Works ..	Manufacturers of agricultural Implements	"Huntworth" Satara.
232	Mr. Reginald Herber Parker ..	Bombay Telephone Co., Ltd.	Telephones	Home Street, Fort, Bombay.
233	,, G. K. Dalal ..	Messrs. Dalal & Mehta ..	Architects, Engineers and Surveyors	41, Medows Street, Fort, Bombay.
234	,, Natverlal Bhagvanlal Desai ..	,, Natverlal & Co. ..	Solicitors	Whiteway Laidlaw Building, Hornby Road, Fort, Bombay.
235	,, G. S. Mahomed ..	Mr. G. S. Mahomed ..	Import-Export and Consular Agent	144, Samuel Street, Bombay.

236	Mr. Tulsidas Khimji ..	Mr. Tulsidas Khimji.. ..	Cotton	46, Churchgate Street, Fort, Bombay
237	,, Jagmohandas J. Kapadia ..	,, Jagmohandas J. Kapadia	Share Broker	Morarji Goculdas Chawl No. 5, Sandhurst Road, Bom.
238	,, A. A. Jasdenvala ..	Messrs. Adamji Lookmanji & Co.	Iron, and Kerosene	127, Fort Street, Fort Bombay.
239	,, D. Cowasji	,, D. Cowasji & Co. Ltd.	Wine, Provisions, Import and Army Contractors	20, Fort St., Fort, Bombay.
240	,, H. B. Reporter. ..	,, Empress Iron & Brass Works.	Engineers, Iron & Brass Founders	Connaught Road, Parel, Bombay.
241	,, Fulchand Manekchand Shah	,, Virchand Panachand & Co.	Import-Export	Gaumukh Bhuvan, Masjid Bunder Road, Bombay.
242	,, Khimji Madan Bhujpuria ..	The Bombay Grain Dealers' Association.	Trade Association	Bhat Bazar, Mandvi, Bombay.
243	,, Nagindas Tribhowandas Master.	Mr. Nagindas Tribhowandas Master.	Solicitor	94, Medows Street, Fort, Bombay
244	Sir Hormusji M. Mehta	Messrs H. M. Mehta & Co. Ltd.	Millowners and Merchants	Maneckji Wadia Building, Esplanade Rd., Fort, Bom.
245	Mr. Jagjivan Ujamshi ..	Mr. Jagjivan Ujamshi. ..	Cotton and Share Broker	195, Kalbadevi Road, Bombay.
246	,, Manilal Mohanlal ..	Messrs. Hemchand Mohanlal & Co.	Diamond Merchants	Dhanji Street, Bombay.
247	,, Erachshaw R. Heerjibehedin.	Mr. Erachshaw R. Heerjibehedin	Press and Newspaper publishing	Kaiser-Chambers, Elphinstone Circle Fort, Bombay.
248	,, Mangaldas B. Mehta ..	Messrs. Amarchand & Mangaldas	Solicitors	Lentin Chambers, Dalal Street, Fort, Bombay.

No.	Representative.	Member.	Trade	Address.
249	Mr. Dewjee Tokarsee Moolji	Mr. Dewjee Tokarsee Moolji	Rice	Bhat Bazar, Mandvi, Bombay.
250	,, Valabhdas Tejpal ..	,, Valabhdas Tejpal ..	Merchant and Commission Agent	219, Vadgadi, Bombay.
251	,, Fakirjee Cowasji ..	Messrs. Cowasji & Sons. ..	Stevedores and Coal Merchants	Kimari, Karachi.
252	,, Choonilal Girdharlal ..	,, Choonilal Manilal Ld.	Coal Merchants	4, Green St. Fort, Bombay.
253	,, Ratilal Mulji Gandhi ..	The Seeds Traders' Association ..	Trade Association	Jenabai Building, Musjid Bunder Road, Bombay.
254	Sir Chunilal V. Mehta ..	Sir Chunilal V. Mehta. ..	Mill Agent and Merchant	Queen's Mansion Presscott Road, Fort, Bombay.
255	Mr. Amritlal Popatbhai. ..	Messrs. Amritlal Popatbhai & Co.	Share Brokers	Agakhan Building, Dalal St., Fort Bombay.
256	,, Goolamhusein Ebrahim	,, Abdoodally Ebrahim	Match Manufacturers and Agents	121, Nagdevi Street, Bombay.
257	,, Ranchhoddas Jethabhai	,, Ranchhoddas Jeyram & Sons.	Rice and Commission Agents	Dongri Street, Bhat Bazar, Bombay
258	,, K. S. Ramchandra Iyer	The Indian Insurance Companies' Association.	Trade Association	Jehangir Wadia Building, Esplanade Road, Fort, Bombay.

259	Mr. Morarji Padamsey ..	Mr. Morarji Padamsey ..	Millowner & Agent	Ewart House, Tamarind Lane, Fort, Bombay.
260	,, Thakordas Nanabhai .. Merchant.	,, Thakordas Nanabhai Merchant. ..	Solicitor	Khakhar Building, C. P. Tank Road, Bombay.
261	,, Gopaldas Poonja ..	Messrs. Khimji Poonja & Co.	Share and Cotton Brokers	19-21 Dalal Street, Fort, Bombay.
262	Sir Cowasji Jehangir, Bart.	Sir Cowasji Jehangir, Bart...	Merchant and Landlord	Readymoney Mansion, Churchgate St., Fort, Bom.
263	Mr. Amritlal D. Sheth ..	Messrs. Saurashtra Ltd. ..	Printers and Publishers	C/o States People Ltd., 139, Medows St., Fort, Bombay.
264	,, Dhansukhlal C. Mehta	,, Mehta Vakil & Co.,..	Share Brokers	Dalal Street, Fort, Bombay.
265	,, Abdultyeb E. Muskati	Mr. Abdultyeb E. Muskati ..	General Merchant	Muskati House, Mahomedally Road, Bombay.
266	,, Venkatnarayan Patruni	,, Venkatnarayan Patruni..	Art Silk yarn	Matunga, Plot No. 275, Bombay.
267	,, Cassumally Munjee ..	Messrs. Munjee Nathoobhoy & Co.	Cotton and Kerosene	Munjee House, 18-20 Rampart Row, Fort, Bombay.
268	,, K. J. Divecha	,, Wright & Co., ..	Chemists & Druggists	Mint & Frere Road, Fort, Bombay.
269	,, Lalji Ravji	,, Ravji Nensee & Co. ..	Grain & Rice Merchants	Ganpat Napoo Bldg., New Chinch Bunder Rd., Bom.
270	,, Shivjee Devjee.. ..	,, Devjee Khetsey & Co.,	Rice Merchants	New Chinch Bunder Road, Bombay.
271	,, Naranlal Jivanlal ..	The Ahmedabad New Standard Mills Co. Ltd.	Textile Mills	Post Railwaypura, Ahmedabad.

No.	Representative.	Member.	Trade	Address.
272	Mr. Fakirmahomed C. L. Sajun ..	The Bombay Rice Merchants' Association.	Trade Association	Carnac Bunder, Bombay.
273	„ Shah Shamji Vallabhji	Mr. Shah Shamji Vallabhji..	Piecegoods and selling agent to mills	Mulji Jetha Market, Dharamraj Gally, Bombay.
274	„ J. A. D. Naoroji ..	The Tata Oil Mills Co., Ltd.	Oilmillers and Toilet requistes manufacturers	Bombay House, Bruce Street, Fort, Bombay.
275	„ Hargovindas B. Kotak	Messrs. Kotak & Co. ..	Cotton Export	Navsari Building, Hornby Road, Fort Bombay.
276	„ Taherally Mahomedally Saherwala ..	The Bombay Iron Merchants' Association	Trade Association	Carnac Bunder, Bombay.
277	„ J. D. Kothawala ..	Messrs. Polson Mfg. Co. ..	Coffee & Butter manufacturers	217-219, Frere Road, Fort, Bombay.
278	„ Manekshah N. Pochkhanawalla.	„ Wadia Ghandy & Co.,	Solicitors	123, Esplanade Road, Fort, Bombay.
279	„ Bhogilal C. Shah.	The Chamber of Incometax Consultants. ..	Trade Association (Association of Income-tax Experts)	15, Jiji House, Ravelin Street, Fort, Bombay.
280	„ Shantikumar Narottam Morarji.	The Indian National Steamship Owners' Association.	Trade Association	Sundama House, Wittet Rd., Ballard Estate, Fort, Bom.
281	„ Dharamdas Samaldas.. Purbhoodas.	Mr. Dharamdas Samaldas Purbhoodas.	Share Broker	P.O. Box 536, Fort, Bombay.

282	Mr. Nandlal M. Bhuta ..	Messrs. M. Bhuta & Co. ..	Export of Indian Produce	88, Musjid Bunder Road, Mandvi, Bombay.
283	,, Nadirshaw Kawasjee ..	,, Nadirshaw, Printer & Co. ..	Merchants and Import-Export	121, Esplanade Rd., Fort, Bombay.
284	Sir Dossabhoy H. Bhiwandiwalla.	,, Hormasji Manekji, Dossabhoy Hormasji Bhiwandiwalla & Co.	Excise Contractors and Salt Manufacturers	583, Chira Bazar, Bombay.
285	Mr. Jehangir B. Manekji ..	The General Engineering Corporation, Ltd. ..	Electrical Engineers	91, Apollo Street, Fort, Bombay.
286	,, C. G. Fozdar	The Asian Assurance Co., Ltd.	Insurance	Asian Building, Ballard Estate, Fort, Bombay.
287	,, Ratilal Nathalal ..	Mr. Ratilal Nathalal ..	Mill Agent	C/o Commercial Mills Co. Ltd., Ahmedabad.
288	,, Sakarlal Balabhai ..	The Sarangpur Cotton Mfg. Co. Ltd.	Textile Mills	Ahmedabad.
289	,, Motilal H. Parikh ..	Messrs. Lallubhai Amichand	Aluminum, Brass & Copper utensils manufacturer	554, Kansara Chawl, Bombay.
290	,, N. M. Sampat ..	,, S. Mitra & Co. ..	Import of Electro-plating & Metal-polishing Machinery	210, Kelewadi, Girgaum Road, Bombay
291	,, Byramjee Hormusjee	The Zenith Life Assurance Co. Ltd. ..	Life Assurance	Apollo Street, Fort, Bombay.
292	,, Motiram Narayan Desai	Messrs. Anant Shivaji Desai	Aluminium & German Silver Utensils manufacturer	Moti Bazar, Bombay.
293	,, L. K. Desai	National Insurance Co., Ltd.	Insurance	National Insurance Building, Hornby Rd., Fort, Bom.
294	,, D. P. Tata	The Bombay Kariana Merchants' Association.	Trade Association	222-4, Vadgadi, Mandvi, Bombay.

No.	Representative.	Member.	Trade	Address.
295	Mr. Lallubhai Chunilal ..	The Indian Match Manufacturers' Association.	Trade Association	121, Nagdevi Street, Bombay.
296	,, Vithaldas Kanji ..	The Wallace Flour Mills, Co., Ltd.	Flour Milling	9, Wallace Street, Fort, Bombay.
297	,, Sitaldas Tirathdas ..	Messrs. Sitaldas Tirathdas ..	Shroffs & Exchange Brokers	64, Multani's Wadi, Walkeshwar Road, Bombay.
298	,, Hassanally Shermahomed ..	Mr. Hasanally Shermahomed	General Merchant and Matches	39, Pydhonie Road, Khadak, Bombay.
299	,, Dharamdas Hargovandas ..	,, Dharamdas Hargovandas	Merchant and Landlord	Diamond Bldg., Lohar Chawl, Bombay.
300	,, Bhogilal Hargovindas Patel.	Messrs. Das & Co.	Millstores and Chemicals	59, Apollo St., Fort, Bombay.
301	,, Rahim Ebrahim ..	,, Ebrahim Currim & Sons	Umbrella Merchants & Manufacturers	Rahim Building, Princess Street, Bombay.
302	Dr. Kalimudin	The Bombay Soap Factory	Soap Manufacturers	Ripon Road Cross Lane, Madanpura Bombay,
303	Mr. A. G. Gray	The Bank of India, Ltd. ..	Bankers	Fort, Bombay.
304	,, Nandvadan Jhaverilal Gor ..	Mr. Nandvadan Jhaverilal Gor	Insurance Agent	York Building, Hornby Rd., Fort, Bombay.

305	Mr. S. B. Dalal	Messrs. Birla Bros., Ltd. ..	Import-Export	Jehangir Wadia Building, Esplanade Rd., Fort, Bom.
306	,, N. J. Shah.	The Bombay Mutual Life Assurance Society Ltd.	Insurance	Bombay Mutual Bldg., Hornby Road, Fort, Bom.
307	,, A. S. Trollip	The Bombay Electric Supply & Tramways Co., Ltd.	Electric Power & Traction	Electric House, Fort, Bom.
308	,, Purshotamdas Popatlal	Messrs. Purshotamdas Popatlal & Co.	Import-Export	37, Hamam Street, Fort, Bombay.
309	,, Jethmal Thakursingh Lalvani	,, J. B. Advani & Co., Ltd.	Paper Merchants	27, Mangaldas Rd., Bombay.
310	,, H. Edwin Jones ..	The Oriental Govt. Security Life Assurance Co., Ltd. ..	Insurance	Oriental Building, Hornby Road, Fort Bombay.
311	,, N. B. Mehta	The Central India Spg. Wg., & Mfg. Co., Ltd. ..	Textile Mills	Bombay House, Bruce Street, Fort, Bombay.
312	,, H. N. Vakil	The Andhra Valley Power Supply Co., Ltd.	Electric Power	Do.
313	,, N. B. Davar	The Tata Power Co., Ltd. ..	Do.	Do.
314	,, V. C. Setalvad ..	Mr. V. C. Setalvad.	Insurance Agent	C/o The Industrial & Prudential Assurance Co, Ltd., Jehangir Wadia Bldg., Esplanade Road, Fort, Bom.
315	,, Chiranjilal Loyalka ..	Messrs. R. B. Loyalka. .	Cotton and Share Brokers	New Stock Exchange Bldg., Share Bazar, Fort, Bom.
316	,, Ebrahim Dawood Kazi	Mr. Ebrahim Dawood Kazi..	Timber	Pine Mansion, Mazagaon, Bombay.
317	,, Dorab R. Davar ..	Messrs. Cornelius & Davar ..	Public Accountants and Auditors	80, Esplanade Road, Fort, Bombay.

No.	Representative.	Member.	Trade	Address.
318	Mr. Chimanlal Manchubhai	Mr. Chimanlal Manchubhai	Banker and Commission Agent	183, Cadell Road, Mahim, Bombay.
319	,, Amritlal Hargovandas	Messrs. Hargovandas Lakhmichand. ..	Bankers, Shroff and Grain Merchants	Manek Chowk, Ahmedabad.
320	,, Albert Smith	The British India General Insurance Co., Ltd.,	Insurance	35-43, Churchgate Street, Fort, Bombay.
321	,, Hassanali M. Khairaz.	Messrs. Ebram Peermahomed & Co. ..	Glassware and Lampware	142, Chuckla Street, Bombay.
322	,, Harivallabhdas Kalidas	,, Shri Ambica Mills, Ltd.	Textile Mills	Post Railwaypura, Ahmedabad.
323	,, Narotam Vithal Purshotum ..	,, Vithal Purshotum & Son ..	Iron Founders and Engineers	Sandhurst Road, 2nd Khetwady Lane, Bombay.
324	,, W. G. Groundwater ..	The Bank of Baroda, Ltd. ..	Bankers	Baroda.
325	Mrs. Lilavati K. Munshi ..	Swadeshi Market Committee	Trade Association	Kalbadevi Road, Bombay.
326	Mr. Gunvantlal Varajdas Kapadia. ..	Mr. Gunvantlal Varajdas Kapadia ..	Solicitor	C/o Dikshit Maneklal & Co., Solicitors, 23, Medows St., Fort, Bombay.
327	,, B. L. Thosar ..	The Prabhat Insurance Co. Ltd. ..	Insurance	Mherwan Bldg., Sir P. M. Rd., Fort, Bom.

328	Mr. Bapalal P. Parakh ..	The Ahmedabad Jupiter Spg. Wvg. & Mfg. Co., Ltd.	Textile Mills	Dudheshwar Road, Ahmedabad.
329	„ H. S. Captain ..	The C. P. Cement Co., Ltd...	Cement	Yusuf Building, Esplanade Road, Fort Bombay.
330	„ D. R. C. Hartley ..	The Cement Marketing Co. of India, Ltd.	Cement Sales Organisation	Forbes Building, Home St., Fort, Bombay.
331	„ Shivlal N. Maniar ..	Shri Mahajan Association Ltd.	Trade Association	Patwa Chawl, Shaikh Memon Street, Bombay.
332	„ Jaysinglal P. Mehta ..	Mr. Jaysinglal P. Mehta ..	Shipping	C/o The Bombay Steam Navigation Co. Ltd., 100, Frere Road, Bombay.
333	„ Anandji Haridas ..	Messrs. Anandji Haridas & Co. Ltd. ..	Iron	Argyle Road, Carnac Bunder, Bombay.
334	„ Chamanlal Popatlal Mehta	„ C. Mehta & Co., ..	Mill and Gin stores	Sital Bhuvan, 64, Multani Wadi, Bombay 6.
335	„ Thakordas P. Shah ..	„ Thakordas & Co., ..	Iusurance Agents	65, Esplanade Rd., Bombay.
336	„ Narandas Ranchhordas Cantol	Mr. Narandas Ranchhordas Cantol. ..	Share & Stock Broker	C/o Chugondas & Co., 17, Elphinstone Circle, Fort, Bom.
337	„ Damodar M. Gandhi ..	Messrs. Gandhi & Co. ..	Coal Merchants	94, Medows Street, Fort, Bombay.
338	„ Jayantilal Girdharlal Shah.	Mr. Jayantilal Girdharlal Shah ..	Insurance Agent	Khadia, Raghasutaria Pole, Ahmedabad.
339	„ Madhukar Gulabshanker Bakshi ..	„ Madhukar Gulabshanker Bakshi. ..	do.	C/o Sir Chinubhoy Madhavlal, Gandhi Road, Ahmedabad.
340	„ Krishnaprasad C. Desai	The Hukumchand Insurance Co. Ltd. ..	Insurance	Jehangir Wadia Bldg., Esplanade Road, Fort, Bombay

No.	Representative.	Member.	Trade	Address.
341	Mr. Mathuradas Dwarkadas	Mr. Mathuradas Dwarkadas	Piecegoods	Ewart House, Tamarind Lane, Fort, Bombay.
342	,, Madhavsinh Kanji ..	The Acme Mfg., Co., Ltd. ..	Manufacturers of Metal wares	9, Wallace Street, Fort, Bombay.
343	,, Pratapsinh Mathuradas	Messrs. Vissanji Khimji & Co.	Cotton	9, Wallace Street, Fort, Bombay.
344	,, G. C. Kothari ..	,, Chimanlal Desai & Co. ..	Import and Merchants	Alice Building, Hornby Road, Fort, Bombay.
345	,, Purshottam Meghji ..	,, Purshottam Bhanji & Co. ..	Gunny and Hessian Merchants	Old Bardan Gully, Isaji Street, Bombay.
346	,, Hariram Jethabhai ..	Mr. Hariram Jethabhai ..	Merchant	16, Jetha Babu House, Chinchbunder Road, Bom.
347	,, Virchand Meghji ..	,, Virchand Meghji ..	Cotton	C/o Messrs. Gill & Co., Ballard Estate, Fort, Bombay.
348	,, Hasanalli Abdulkarim	Messrs. Abdul Karim Cassum Khatau	Brokers	Above Islam Club, Chowpatty, Bombay.
349	,, Ranchhoddas Chunilal Shroff	,, Vithaldas Choonilal Jariwalla.	Silk Piecegoods and Jari Merchants	104-6, Bhuleshwar, Bombay.
350	,, Jethalal Dharsey ..	,, Jethalal & Co. ..	Cotton Brokers	59, Marwari Bazar, Bombay.

351	Mr. Choonilal Dahyabhai	Messrs. Choonilal Dahyabhai & Co.	Chemists & Druggists	Princess Street, Bombay.
352	,, Mohammed Reza Haji Shariff ..	The Eastern Steam Navigation Co., Ltd.	Shipping	24, Mangalore Street, Fort, Bombay.
353	,, Umakant Shrirang Desai	Mr. Umakant Shrirang Desai	Stock Broker	Aga Khan Building, 26, Dalal Street, Fort, Bombay.
354	,, G. M. Bhuta.	Messrs. Master Sathe & Bhuta ..	Chartered Architects and Surveyors for Insurance Cos.	41, Hamam Street, Fort, Bombay.
355	,, Maneklal Pranlal Shah	The Gold Filled Leather Works ..	Lether & Canvas goods manufacturers	Bhangwadi, Kalbadevi Road, Bombay.
356	,, G. I. Patel	Messrs. Gordhandas Desai & Co.	Manufacturers' Agents in Scientific Instruments	Kermani Building, Sir P. M. Road, Fort, Bombay
357	,, N. B. Bhagat. ..	,, Bhagat & Sons. ..	Engineers and Contractors	Siwri Fort Road, Bombay.
358	,, Mulraj Karsandas ..	The Indian Globe Insurance Co. Ltd.	Insurance	28, Apollo Street, Fort, Bombay.
359	,, Pallanji Pestonji ..	Messrs. Muncherji Vadilal & Co.	Carting Contractors	Cotton Depot, Mazagaon, Bombay.
360	,, Shavakshaw Fakirji Dhalla.	,, Fakirji Rustomji & Sons	Railway Contractors	Carnac Bridge Goods Station, Bombay.
361	,, Pratapray Manmohandas ..	,, Pratapray Amritlal & Co.	Cotton Brokers	Ranchhoddas Tribhovandas Bldg., Marwari Bazar, Bom.
362	,, Mathradas Haridas ..	,, Damodar Anandji ..	Hemp Merchants	66, Karwar Street, Fort, Bombay.
363	,, Mahomed Husein Hasham Premji ..	,, Hasham Premji ..	Rice	Rice Godown Carnac Bunder, Bombay.

No.	Representative	Member.	Trade	Address.
364	Mr. Mohamed Umar Chandbhoy.	Mr. Mohamed Umar Chandbhoy	Import-Export	150, Nagdevi St., Bombay.
365	,, Kaikhusru A. Dubash	Messrs. Ardeshir B. Cursetjee & Sons. ..	Merchants	6, Rampart Row, Fort, Bombay.
366	,, Madhavji Hariram ..	,, Manilal Mooljee Rangwalla	Colour Merchants	Samuel Street, Vadgadi, Bombay.
367	,, Shiavax C. Cambata	The Hirdagarh Collieries, Ltd.	Colliery Owners	Cook's Bldg., 324, Hornby Road, Fort, Bombay.
368	,, Laxmidas Bhawanidas Vora ..	Mr. Laxmidas Bhawanidas Vora	Landlord and Merchant	65, Old Hanuman Lane, Bombay.
369	,, Nathubhai N. Dandh.	Messrs. Shamji Karamsi & Co.	Cotton Merchants and Exporters	27, Chinchbunder Road, Bombay.
370	,, Thackersey Hirji Nensey	,, Hirji Nensey & Co. ..	Cotton Merchants	7, Elphinstone Circle, Fort, Bombay
371	,, B. D. Sardesai ..	The Hindustan Construction Co., Ltd.	Building Contractors	Phoenix Bldg., Ballard Estate, Fort, Bombay.
372	,, Rantanchand Khimchand Motishaw. ..	Messrs. R. K. Motishaw & Co.	Share and Stock Brokers	Apollo Street, Motilal Mansion, Fort, Bombay.
373	,, T. G. Patel	The Indian Hume Pipe Co. Ltd.	Manufacturers of Reinforced Concrete Pipes	Sholapur.

374	Mr. Lalchand Hirachand	Mr. Lalchand Hirachand ..	Agriculture and Sugar manufacture	Post Ravalgaon, (Dt. Nasik.)
375	„ Thakorlal H. Vakil ..	Messrs. Vakil Brothers ..	Coal Merchants	43, Apollo Street, Fort, Bombay.
376	„ R. G. Saraiya. ..	The Broach City Press Co. Ltd. ..	Cotton Ginning and Pressing	Navsari Chambers, Outram Road, Fort, Bombay.
377	„ Narottam Keshavlal Shah ..	Mr. Narottam Keshavlal Shah ..	Piecegcods	C/o Messrs. Savailal Maneklal, M.J.Mkt.,Narain Chowk,Bom.
378	„ D. M Soni	The Northland Sports Works	Sports goods manufacturers	Sialkot (Punjab.)
379	„ Ratilal T. Parekh ..	The Muccadam Association.	Trade Association	Wakefield House, Ballard Estate, Bombay.
380	„ A. P. Patwardhan ..	Messrs. Annar & Co. ..	Soap Manufacturers & General Analytical Chemists	Jhaveri Villa, Gilder Lane, Lamington Rd. North, Bom.
381	„ F. C. Talwar	Mr. F. C. Talwar	Export	Shantaram House, M. Hill, Bombay.
382	„ Ramdas Khimji ..	Messrs. Ramdas Khimji & Sons ..	Cotton Merchants and Cotton Ginning & Pressing	Tuticorin.
383	„ R. N. Adarbad ..	The Indian Society of Accountants & Auditors.	Trade Association	Albert Building, Hornby Road, Fort, Bombay.
384	„ E. S. Patanwala ..	Mr. E. S. Patanwala. ..	Perfumary & Toilet requisite manufacturer	182-184, Abdulrehman Street, Bombay.
385	„ Ahmed Ebrahim ..	Messrs. Ahmed Ebrahim Brothers. ..	Hosiery manufacture and Import of Hosiery and Piecegoods	716-720, Merchant Street, Rangoon.
386	„ Dhunjishaw H. Joshi.	International Oil Co. Ltd. ..	Agents and Distributors of Petrol	17, Ravelin Street, Fort, Bombay.

No.	Representative.	Member.	Trade	Address.
387	Mr. S. C. Banerji. ..	Messrs. Marsland Price & Co. Ltd.	Reinforced Concrete Specialists and Sugar manufacture	Phoenix Building, Ballard Estate, Fort, Bombay.
388	,, Chhotabhai S. Patel ..	The Swastik Oil Mills Ltd. ..	Oil Mills and By-products	27, Bastion Road, Fort, Bombay.
389	,, Mahadev M. Singhi ..	The Cotton Agents, Ltd. ..	Merchants & Commission Agents	51, Esplanade Road, Fort, Bombay.
390	,, Amratlal Kalidas ..	Mr. Amratlal Kalidas. ..	Share Broker	New Stock Exchange Bldg., Dalal St., Fort, Bombay.
391	,, Harilal Narottam Contractor.	Messrs. Ranchhodji Ramji & Co.	Building and Constructional Contractors	Chikalwadi, Bombay.
392	,, Purshotamdas Harkisondas ..	The Bombay Cotton Merchants & Muccadums Association, Ltd.	Trade Association	Cotton Exchange, Sewree, Bombay.
393	,, Jamnadas Meghji ..	Messrs. Jamnadas Meghji & Co.	Import-Export and Manufacturers' Representatives	15, Bastion Road, Fort, Bombay.
394	,, Hirji Lakhmidas ..	Mr. Hirji Lakhmidas ..	Cotton Waste Merchant	C/o Virji Peraj Maskai, Maskai Bldg. 106, Bhandari St., Bom.
395	,, Valjee Ladha	Messrs. Valjee Ladha & Co.	Cotton Merchants & Commission Agents	Dongri St., Mandvi, Bombay.
396	,, Premchand C. Bhayani	,, Jamnadas Chaturbhuj & Bro. ..	Mill & Gin Stores	55, Nagdevi Cross Lane, Bombay.

397	Mr. Ramji Ravji.. ..	Messrs. Narsi Nagsee & Co...	Cotton Merchants	3, Chinch Bunder, Bombay.
398	„ Mancherji N. Cama ..	Mr. Mancherji Nasarvanji Cama ..	Newspapers and publishing	Cama Chamber, Medows Street, Fort, Bombay.
399	„ Ram Nath Chopra ..	The Lakshmi Insurance Co. Ld. ..	Insurance	Kamer Bldg., Cowasji Patel St., Bombay.
400	„ D. J. Irani	Messrs. Mulla & Mulla. ..	Solicitors	51, Esplanade Road, Fort, Bombay.
401	Rai Bahadur Jagmal Raja	Rai Bahadur Jagmal Raja ..	Glass works and Colliery	Gopal Nivas, Princess Street, Bombay.
402	Mr. Chimanlal Bapalal Parikh ..	The Bombay Uganda Co. Ltd.	Cotton	28, Apollo Street, Fort, Bombay.
403	„ Chandulal P. Parikh ..	Messrs. C. Parakh & Co., ..	do.	28, Apollo Street, Fort, Bombay.
404	„ Vishram Walji	„ Walji Bhimji & Sons.	Engineers and Contractors and Coal Merchants	Dharampur Road, Bulsar.
405	„ M. R. A. Baig... ..	The Eastern Federal Union Insurance Co. Ltd. ..	Insurance	Phoenix Bldg., Ballard Estate, Fort. Bombay.
406	„ Vallabhdas Vasanji ..	The Bombay Malabar Kariana Merchants' Association	Trade Association	Katha Bazar, Bombay.
407	„ Bhulabhai J. Desai ..	Mr. Bhulabhai J. Desai. ..	Advocate	89, Warden Road, Bombay.
408	„ Maganlal Bhikhabhai Patel ..	The New Rajpur Mills Co., Ltd. ..	Textile Mills	Gomtipur Rd., Railwaypura, Ahmedabad.
409	„ Nanalal Keshavji Khitani ..	Messrs. B. Durlabhji & Co.,..	Importers	Shri Krishna Nivas, Kalbadevi Road, Bombay.

No.	Representative.	Member.	Trade	Address
410	Mr. Chimanlal Bhogilal Desai ..	The Sagar Movi Tone Co.,	Talkie Producers	68, Nepeansea Road, Bombay.
411	,, Navalchand Tarachand Shah ..	Mr. Navalchand Tarachand Shah.	Share, Stock and Finance Broker	Agakhan Building, Dalal Street, Fort, Bombay.
412	,, Madanlal Paliram ..	Messrs. Brijlal Madanlal ..	Cottton	C/o Messrs. Harnandrai Ramnarayan, Kalbadevi Rd.,Bom.
413	,, Shantilal Vadilal ..	,, Shantilal Vadilal & Co.	Mill and Gin Stores	Revdi Bazar Cross Lane, Ahmedabad.
414	,, Mansukhlal Sukhlal Tarwala. ..	Mr. Mansukhlal Sukhlal Tarwala.	Share Broker	48, Marwari Bazar, Bombay.
415	,, Kalidas Jasraj ..	Messrs. Kalidas Jasraj ..	Cotton	Marwari Bazar, Bombay.
416	,, Chhotalal Virchand Mehta ..	Mr. Chhotalal Virchand Mehta ..	Agent to the Maharaja of Morvi	Mahendra Mansions, Esplanade Road. Fort, Bombay.
417	,, Lalji Morarji	Messrs. Bhawanji Lakhmidas & Co.	Cotton and Commission Agents	72,80, Musjid Bunder Road, Bombay.
418	,, Nanji Kalidas	,, Shamji Kalidas & Co.	Merchants, Commission Agents and Exporters	12, Champa Galli, Mulji Jetha Bldg., Bombay.
419	,, Gajanand Gumaniram	,, Gulraj Runglal. ..	Cotton Brokers	50-52, Marwari Bazar, Bombay.

420	Mr. Chandulal Kasturchand ..	Messrs. Chandulal Kasturchand ..	Cotton	59, Marwari Bazar, Bombay.
421	,, Keshavlal Premchand	,, Chimanlal Premchand.	Cotton and Commission Agents	Piperdi's Pole in Hajapatel's Pole, Ahmedabad.
422	,, Chandulal Laxmichand Khokhani	,, Chandulal L. Khokhani & Co. ..	Manufacturing Jewellers	167–69 Shaikh Memon Street, Bombay.
423	,, Mangulal Trikamlal .. Parikh	,, Bapulal Trikamlal Parikh ..	Shroffs and Commission Agents	Ganeshwadi, Bombay.
424	,, Bhanji Devji Khimji	The Arjan Khimji Ginning & Pressing Co., Ltd.	Cotton	4, Outram Road, Fort, Bombay.
425	,, Moolji Dayal	Shree Sajjan Mills, Ltd. ..	Textile Mills	28, Apollo Street, Fort, Bombay.
426	,, Jamnadas G. Nensey	Messrs. K. Jivraj & Co., ..	Insurance Agents	C/o Vulcan Insurance Co., Ltd., 51, Esplanade Road, Fort. Bombay.
427	,, Kashibhai U. Patel ..	Kopran Chemical Co., Ltd.	Pharmaceutical and Toilet preparations	83/85, Tardeo Rd., Bombay.
428	,, Jethabhai J. Kotak. ..	Messrs. Purshotamdas Madhavani & Co.,	Import-Export	8, Elphinstone Circle, Fort Bombay.
429	,, Murarji Jadavji Vaidya	,, Hansraj Sons. ..	Millowners and Agents	Bombay Silk Mills, Colaba, Bombay.
430	,, Ratilal T. Thakkar ..	,, Ratilal & Co., ..	Cotton	Opp. New Cotton Exchange, 1-3, Bhuleshwar Corner, Bom.
431	,, Durlabhji Umedchand Parikh	,, Durlabhji Umedchand Co.,	Cotton, Seeds and Bullion Brokers	63, Shaikh Memon Street, Bombay.
432	,, Mohanlal A. Parikh ..	,, Mohanlal Hargovinddas & Co.,	Shroff and Commission Agents	51, Dadyshet Agyari Street, Bombay.

No.	Representative.	Member.	Trade	Address.
433	Mr. E. S. Marker.. ..	Messrs. Marker Goldsteane & Co. ..	Electrical and Sanitary Engineers and Contractors	Ismail Bldg., 381, Hornby Road, Fort, Bombay.
434	,, Padmakant Jekisondas Shroff.	Mr. Padmakant Jekisondas Shroff.	Share & Stock Broker	43, Apollo Street, Fort, Bombay.
435	,, Kalyanji Mavji ..	,, Kalyanji Mavji. ..	Coal Merchant	55, Apollo St., Fort, Bombay.
436	,, Pranjivandas Narottamdas ..	Messrs. Narottamdas Premchand & Sons.	Grain Merchants & Commission Agents	Bhawani Peth, Poona City.
437	,, G. N. Joshi.	Mr. Gulabbhai Naranji Joshi	Economist and Advocate	Jariwala Mansion, Hughes Road, Bombay.
438	,, K. B. Mehta	,, Kantilal Balabhai Mehta.	Shipping (Jt. Asst. Manager, B.S.N. Co.)	100, Frere Road, Fort, Bombay.
439	,, K. C. Desai.	,, Keshavprasad Chhotalal Desai.	Insurance (Manager of Insurance Companies)	Industrial & Prudential Assurance Co. Ltd., 51, Esplanade Road, Fort, Bombay.
440	,, Dinsha D. Shroff. ..	,, Dinsha D. Shroff	Auditor	Patel Mansion, Gowalia Tank Road, Bombay.
441	,, Jethalal D. Dave, Vaidya	,, Jethalal D. Dave, Vaidya	Ayurvedic Medicines	Dave Chemical Works, Ahmedabad.
442	,, Gokaldas M. Kapadia	Messrs. B. Gokaldas & Co.	Piecegoods	187, Princess St., Bombay.

443	Mr. Mayabhai M. Teli. ..	The Indian Cotton Oil Mill	Cottonseeds crushing	Navsari.
444	,, Chandulal Sarabhai Modi. ..	Messrs. Sarabhai & Co.	Importing agents	Elphinstone Circle, Fort, Bombay.
445	,, Bhikhabhai Laxmidas	The Bombay Oil Merchants' Association. ..	Trade Association	C/o Mulji Jaitha & Co., Katha Bazar, Bombay.
446	,, Ambalal Bhogilal Parikh	The Metal Exchange Association	do.	Natvar House, Tamba Kanta, Bombay.
447	,, P. Ranchhoddas ..	Sunderdas Saw Mills.. ...	Furniture manufacturers	Opp. Reay Road Station, Bombay
448	,, Jivanlal Chimanlal Chinai	Messrs. Nagindas Fulchand Chinai	Raw silk	Chinai Bldg., 79, Musjid Bunder Road, Bombay.
449	,, N. H. Pujara ..	,, Ahmed Oomerbhoy	Oil Millers and Exporters	Two Tanks, Grant Road, Bombay.
450	,, V. H. Hazarat ..	,, Hazarat & Co.	Export of Indian Yarn and Import of foreign yarns, etc.	106, Cowasji Patel Street, Fort, Bombay.
451	,, Ravjibhai Nathabhai Amin	Indo-Stationery Mart.. ..	Stationers & Printers	Red Bldg., Parsi Bazar St., Fort, Bombay.
452	,, S. K. Khandwala ..	Messrs. Manilal Mohanlal Parikh	Mill & Gin Stores	C/o Ramchandra & Co., Kapasia Bazar, Ahmedabad.
453	,, Dwarkadas Haridas Vakharia ..	,, Popatlal Ghellabhai & Co.	Hosiery	104, Chakla Street, Bombay,
454	,, Lakhamsi Ghelabhai Shah	,, Lalji Poonsi & Co. ..	Grain and Rice	3, Chinch Bunder Road, Bombay.
455	,, Jadavji Narshidas ..	,, Narshidas Jagjivandas	Cotton and Seeds	Danapith, Bhavnagar. (Kathiawar)

No.	Representative.	Member.	Trade	Address.
456	Mr. Chhotalal Nanchand	Messrs. Shah Nanchand Anandji ..	Sugar and Cotton	Danapith, Bhavnagar, (Kathiawar .
457	,, Parbhulal Chunilal Shah	,, Trivedi Shah & Co. ..	Insurance representatives and Commission Agents	P. O. Box. 133, Jinja (East Africa).
458	,, Nagappa Arleppa Abdulpurkar	Mr. Nagappa Arleppa Abdulpurkar ..	Cloth, Cotton, Yarn & Banking	Mangalwar Peth, Sholapur.
459	,, N. R. Kembhavi ..	,, N. R. Kembhavi ..	Banker and Merchant	Bijapur.
460	,, Uttamchand Chunilal..	,, Uttamchand Chunilal ..	Cotton and Commission Agent	Bijapur.
461	,, Harilal J. Trivedi ..	Messrs. Chhaganlal Khimji & Co. ..	Flour Merchants	Duncan Road, Bombay.
462	,, Virji Devshi	,, Jethabhai Gopalji & Co. ..	Flour Merchants	Duncan Road, Bombay.
463	,, Raghubar Dayal Meattle	,, Jugalkishore Mukatlal	Cotton, seeds and Grain merchants & Brokers	178–80, Kalbadevi Road, Bombay.
464	,, Premji Keshavji ..	Mr. Premji Keshavji ..	Cotton and Commission Agent	Opp. Railway Station, Surat.
465	,, Soorsinh Laljee ..	Messrs. Lalji Mooljee ..	do.	Barsi Town.

466	Mr. Purshottambhai Surchand ..	Messrs. Purshottam Surchand ..	Bankers, Commission Agents, Grain, Seeds & Cotton	Mangaldas Rd., Princess, St., Bombay.
467	,, Govindramji	,, Govindram Sekhsaria	Bankers nnd Commission Agents	Bansilal Abeerchand Bldg., 18, Marwari Bazar, Bombay.
468	,, Gordhandas Jamnadas	,, Gordhandas Jamnadas & Co.	Seeds and Wheat	Jenabai Bldg., Musjid Bunder Road,Mandvi, Bombay.
469	,, J. D. Chandriani ..	,, International Radio Co. ..	Radio, Talkie, Motor Car Agents	Dina Building, opp. Marine Lines, Bombay.
470	,, Shriman Shripat ..	,, Shripat Gordhandas & Sons.	Share & Stock Brokers	C/o M/s. Killick Nixon & Co., Home Street, Fort, Bombay.
471	,, Haridas Madhavdas ..	,, Madhavdas Amersey & Co. ..	Cotton	65, Esplanade Road, Fort, Bombay.
472	,, Hemraj Anandilal ..	,, Anandilal Hemraj & Co. ..	do.	32, Marwari Bazar, Bombay.
473	,, Harbilas Shambhooram	,, Harbilas Gangadutt ..	Commission Agents and Brokers	220/24, Kalbadevi Rd., Opp. Nar Narayan Temple, Bom.
474	,, Gangaram Agarwala	,, Shivdanmal Agarwala	Brokers and Commission Agents	336/B, Surajmals' Chawl, Kalbadevi Road, Bombay.
475	,, Parmeshwarlal Duwarkadass ..	,, Basantlal Gorakhram	Shroff and Commission Agents	Marwari Bazar, Bombay.
476	,, Ratansey Karsondas ..	,, Madhavsinh & Co. ..	Flour Merchants	Two Tanks, Duncan Road, Bombay.
477	,, Hansraj Goculdas ..	,, Mathuradas Kanji ..	Merchants and Muccadums	9, Wallace Street, Fort, Bombay.
478	,, Ghelabhai Soonderji ..	,, Monji Soonderji ..	Piecegoods	71/73, Chakla Street, Bombay.

No.	Representative.	Member.	Trade	Address.
479	Mr. Chandulal Kalidas Shah	Mr. Chandulal Kalidas Shah	Mill and Gin Stores	653, Gandhi Road, Ahmedabad.
480	,, Chandulal Bapalal Chokshi.	,, Chandulal Bapalal Chokshi.	Share Broker	Dhana Sutar's Pole, Kalupur, Ahmedabad.
481	, Chhabildas V. Gajjar.	Messrs. Mistry & Gajjar (India) Ltd.	Engineering	Kapasia Bazar, Railwaypura Post, Ahmedabad.
482	,, Hiralal N. Desai ..	,, H. Desai & Co. ..	Insurance Underwriters	Khadia, Golvad, Ahmedabad.
483	, Nandlal Chhaganlal ..	,, Dharamsi Dinkar Rau & Nandlal	Solicitors	Dean Lane, Fort Chambers, Bombay.
484	,, Dinshawjee Pestonjee	,, Pestonjee Meherwanjee	Cotton and Commission Agents	Jalna, (Dn.)
485	,, Mahadeo A. Dhoria ..	,, Anand Jetha & Sons.	Engineers, Builders and Contractors	2, Sholapur Road, Poona.
486	,, Chandulal T. Shah ..	,, C. T. Shah & Co. ..	Insurance Agents	12, Rampart Row, Fort, Bombay.
487	,, Nagappa Arleppa Abdulpurkar.	The Sholapur Kapad Vyapari Sangh.	Trade Association	Mangalwar Peth, Sholapur.
488	,, Nemidas Dewjee Tokarsee ..	Mr. Nemidas Dewjee Tokarsee..	Rice	C/o M/s. Dewjee Tokarsee & Co.Bhat Bazar, Bombay.

489	Mr. M. M. Mundkur ..	The Bombay Fire & General Insurance Co., Ltd.	Insurance	45-47, Churchgate Street, Fort, Bombay.
490	,, Ramdas Girdhardas ..	Messrs. Ramdas Girdhardas & Co. ..	Piecegoods	M. J. Market, Ghadial Gulli, Bombay.
491	,, Gordhandas Jadavji ..	,, Doongarsi Gangji & Co.	Commission Agents and Merchants	84, Musjid Bunder Road, Bombay.
492	,, S. D. Prabhavalkar ..	Mr. S. D. Prabhavalkar. ..	Engineer and Contractor	17, Elphinstone Circle, Fort, Bombay.
493	,, Dorab Framji Kapadia	,, Dorab Framji Kapadia	Textile Industry	24, Walkeshwar Road, Malbar Hill, Bombay.
494	,, Dungarsi Ravjee ..	Messrs. Ravjee Dhanjee & Co. ..	Rice and Grain	Clive Road, Dana Bunder, Bombay.
495	,, Jamnadas M. Rajput	Allied Advertising Association of India ..	Publicity Consultants	Commissariat Bldg., 231, Hornby Rd., Fort, Bombay.
496	,, Nariman D. Adenwalla	Messrs. Nariman D. Adenwalla & Co., ..	Accountants and Auditors	418, Chhotalal Bhuvan, Kalbadvei Road, Bombay.
497	,, Sarabhai Dahyabhai Sheth	Mr. Sarabhai Dahyabhai Sheth. ..	Share Broker & Merchant	Ratan Pole, Ahmedabad.
498	,, Amarsey Jinabhai Bhimjiani.	Messrs. Thomas & Co. ..	Insurance Agents	45-47, Apollo Street, Fort, Bombay.
499	,, Vasantray A. Ojha	,, Amritlal Ojha & Sons. ..	Colliery	Rahman Bldgs., Churchgate Street, Fort, Bombay.
500	,, Jal Hirji Taraporevala	Mr. Jal Hirji Taraporevala..	Bookseller, Publisher, etc.,	C/o M/s. D. B. Taraporevala Sons & Co. 210, Hornby Road, Fort, Bombay.
501	,, Chhotalal Dharamsi Joshi ..	Messrs Bechardas Govindji & Co. ..	Import-Export and General Commission Agents	106, Bhandari St , Bombay.

No.	Representative.	Member.	Trade	Address.
502	Mr. Mavji Govindji	Messrs. Mavji Govindji & co.	Coal	Apollo Street, Fort, Bombay
503	,, Vadilal Raghavji	The Bombay Yarn & Silk Merchants' Association	Trade Association	Tamba Kanta, Bombay.
504	,, Yacoob H. A. Lalljee	Messrs. Hooseinbhoy Abdoolabhoy Lalljee & Co.	Insurance Agents and Import-Export	Standard Bldg., Hornby Road, Fort, Bombay.
505	,, Bodh Raj Tannan	Mr. Bodh Raj Tannan	Chartered Accountant	Bank of Baroda Bldg., Apollo Street, Fort, Bombay.
506	,, C. H. Divanjee	The Bank of Hindustan Ltd.	Bankers	35, Churchgate Street, Fort, Bombay.
507	,, Manilal Mohanlal Zaveri	The Bombay Diamond Merchants' Association	Trade Association	3, Dhanji Street, Bombay.
508	,, Alimahomed Goolamhusein Moloobhai	Messrs. Goolamhusein Moloobhai	Share, Stock & Exchange Brokers	76, Tamarind Lane, Fort, Bombay.
509	,, Narayandas Girdhardas	Mr. Narayandas Girdhardas	Insurance, Banking and Mining	Khooshaldas Gardens, Kilpauk, Madras.
510	,, Shantaram Raghunath Shirgaokar	,, Shantaram Raghunath Shirgaokar	Sugar manufacture	C/o Kolhapur Sugar Mills, Ltd., Kolhapur—Shahupuri.
511	,, Ruttonshaw Pestonjee Dalal	,, Ruttonshaw Pestonjee Dalal	Incorporated & Registered Accountant	Navsari Chambers, Outram Road, Fort, Bombay.

512 Mr. R. S. Kodange	The Indian Bank, Ltd.	Bankers	56, Esplanade Road, Fort, Bombay.
513 „ Nowrosji Maneckji Bhathena ..	Mr. Nowrosji Maneckji Bhathena ..	Consulting Chemist & Chemical Engineer	8, Reynolds Road, Byculla, Bombay.
514 „ A. R. Bhat ..	The Mahratta Chamber of Commerce and Industries	Chamber of Commerce	New Kitab Building, Laxmi Road, Poona City.
515 „ Balvant Shankar Dabke	Mr. Balvant Shankar Dabke.	Textile and Sugar manufacturer	315, Girgaum Back Road, Bombay.

RULES AND REGULATIONS OF THE INDIAN MERCHANTS' CHAMBER

(As amended upto 28th April 1936.)

Name.

1. The Association shall be styled, "The Indian Merchants' Chamber."

Office.

2. The office of the Chamber will be situate in Bombay.

Objects.

3. The objects for which the Chamber is established are:—

(*a*) To encourage friendly feeling and unanimity among business community on all subjects connected with the common good of Indian merchants.

(*b*) To secure organised action on all subjects relating to the interests of the Indian business community directly and indirectly.

(*c*) To promote the objects of the Indian business community in matters of inland and foreign trade, shipping and transport, industry and manufacture, banking and insurance.

(*d*) To collect and disseminate statistical and other information securing the promotion of the objects of the Chamber, and to make efforts for the spread of commercial and economic knowledge.

(*e*) To take all steps which may be necessary for promoting, supporting or opposing legislation or other action affecting the aforesaid interest by the Government or any Department thereof or by any local body or bodies and

in general to take the initiative to secure the welfare of the business community in all respects.

(*f*) To make representations to Local, Central or Imperial authorities, Executive or Legislative, on any matter affecting trade, commerce, manufacture or shipping, banking or insurance.

(*g*) To undertake by arbitration the settlement of commercial disputes between merchants and businessmen and also to provide for arbitration in respect of disputes arising in the course of trade, industry or transport, and to secure the services of expert technical and other men to that end if necessary or desirable.

(*h*) To advance and promote commercial and technical education and to found and support establishments and institutions for such purposes.

(*i*) To undertake special enquiries and action for securing redress for legitimate grievances of any branch of trade or industry as also all such other action as may be conducive to the extension of trade, commerce or manufacture or incidental to the attainment of the above objects.

(*j*) To secure the interests and well-being of the Indian business communities abroad.

(*k*) (i) To secure, wherever possible, organised and/or concerted action on all subjects involving the interests of members including 'regulating conditions of employment of industrial labour' in various industries represented by the members of the Organisation.

(ii) To nominate delegates and advisers, etc. to represent the employers of India at the

Annual International Labour Conferences of the League of Nations.

(iii) To take up, consider and formulate ideas on the subjects which are on the Agenda of each International Labour Conference.

(iv) To take all steps which may be necessary for promoting, supporting or opposing recommendations or conventions of the International Labour Conference.

(*l*) And generally to do all that may be necessary in the interests of the realisation of the above objects of the Chamber directly or indirectly.

4. There shall be three classes of members :—

Members. (1) Ordinary, (2) Patrons and (3) Honorary.

(1) There will be three classes of Ordinary Members :—

(*a*) Residents of Bombay and its suburbs who will have to pay *in advance* Rs. 75 as annual subscription ; but Joint Stock Companies will have to pay *in advance* Rs. 100 per year.

(*b*) Mofussil members who will have to pay *in advance* Rs. 25 as annual subscription.

(*c*) Associations which will have to pay *in advance* Rs. 125 as annual subscription.

Admission Fee :—All the ordinary members and patrons will have to pay *in advance* Rs. 50 as admission fee which will be credited to a capital fund of the Chamber and shall not be expended on revenue account except with the consent of the General Body.

(2) *Patrons*: Indian firms or individual Indian merchants can join as Patrons. Firms will have to pay Rs. 5,000 and individuals Rs.

2,500 as donation, the proceeds of which will be credited to a capital fund which shall not be expended on revenue account but the interest whereof shall be taken to revenue account.

(3) *Honorary Members*: Gentlemen distinguished for public services or eminent in commerce and manufactures or otherwise interested in the aims and objects of the Chamber may be elected as Honorary Members by a General Meeting of the Chamber by two-thirds of the majority of members present at the meeting on the recommendation of the Committee and as such shall be exempted from paying subscriptions. They shall not be entitled to vote at any meeting of the Chamber nor shall they be eligible to serve on the Committee.

Eligibility for membership of the Chamber.

5. Any Indian gentleman, firm or association engaged in mercantile pursuits or interested in trade and commerce desirous of joining the Chamber shall be eligible for membership.

Election of members.

6. The applicant, whether an individual, a firm or an association, shall sign the admission form giving details of business, etc., and send it to the Secretary, with signatures of proposer and seconder who must be members of the Chamber. This application shall be submitted to the Committee, who shall appoint a Scrutineer. Names of all such applicants, with names of their proposers and seconders, during the month shall be put up on the notice board of the Chamber in the first week of the following month and they shall be there for one whole week. During this period members of the Chamber shall come to the office of the Chamber between 11 A.M. and 5 P.M. (S.T.) and register their vots either for or against the inclusion of such applicants as members of the Chamber. At least five per cent of the members of the Chamber must register their votes to make the ballot valid. The presence in the ballot box of one nega-

tive vote shall cancel six positive votes. If an applicant or applicants gets or get twelve nagative votes, he or they shall not be elected. On the seventh day the ballot-box shall be opened at 5 P.M. (S.T.) by the Scrutineer and the Secretary, who shall declare the result of the ballot.

Resignation.

7. Members wishing to resign shall give written notice to the Secretary.

Disqualification of members.

8. A member shall be deemed to be disqualified if:—

(*a*) He becomes an insolvent.

(*b*) He fails to discharge his subscription for a period extending over twelve months.

Privileges of members.

9. A member of the Chamber shall be entitled:—

(*a*) To obtain gratis publications of the Chamber.

(*b*) To the free use of the Chamber's library.

(*c*) To vote at all meetings of the Chamber or on any matter referred to the General Body of members by circular.

(*d*) To be elected as an office-bearer of the Chamber.

Meetings of members.

10. There shall be held a general meeting of members, which shall be called the Annual Ordinary General Meeting within a month of the 31st December when the official year of the Chamber closes (provided that the Committee can extend the period upto a fortnight by a special resolution), to transact the following business:—

(*a*) To receive the Annual Report of the retiring Committee and the audited statement of accounts of the Chamber.

(*b*) To record the declaration of the result of election of office-bearers for the ensuing year.

(*c*) To elect an auditor for the ensuing year.

(*d*) To transact such other business of which notice may have been given by a member five clear days before the date fixed for the Ordinary General Meeting, and of which the Secretary will have given notice to the General Body of members by post or otherwise two days before the date of the meeting.

There shall be held during the course of the year in addition to the Annual Ordinary General Meeting three other ordinary meetings when a resume of the work done during the previous quarter will be supplied to members.

A Special General Meeting of members may also be called whenever the Committee think fit; and the Committee shall also call a Special General Meeting on the requisition in writing of at least ten members of the Chamber stating the object of the meeting.

At least three days' clear notice shall be given to members specifying the day, place, hour and objects of the meeting even when the Special General Meeting is convened by the Committee.

Ten days' clear notice of all other General Meetings, whether ordinary or special, shall be given to members specifying the day, place, hour and object of the meeting. Such General Meetings will also transact such other business of which notice has been given by a member five clear days before the date fixed for the meeting and of which the Secretary has given notice either by post or otherwise to the General Body of members two days before the date of the meeting.

Quorum.

11. Fifteen members shall be deemed a quorum for a General Meeting whether Ordinary or Special. No business can be transacted at any General Meeting, whether Ordinary or Special, if within 30 minutes

of the hour specified for the meeting no quorum is formed. In that case the meeting shall stand adjourned to such date, hour and place as the members present at the meeting may fix.

Adjourned meeting.

12. An adjourned meeting can transact the business for which it is called without the necessary quorum.

Chairman.

13. The Chairman of the Committee shall preside at at every General Meeting or the Vice-Chairman in his absence. In the case of the absence of the Chairman as well as the Vice-Chairman, the members present may vote one from among themselves to take the Chair.

Voting at meeting.

14. Every resolution submitted to the meeting shall be decided by a show of hands. In the case of equality of votes the Chrirman shall have a casting vote in addition to his own vote. Each member has the right to speak and vote on any subject which may be submitted for consideration at any General Meeting provided that a firm or association having more than one member shall have one vote only though its several members may be present at the metting and take part therein.

Managing Committee.

15. At every Annual Ordinary General Meeting there shall be elected a Committee to carry out the objects of the Chamber, consisting of the Chairman, the Vice-Chairman, and twenty-three members.

Vacancy on the Committee.

16. The Committee shall fill up any vacancy of an ordinary member thereof occurring during the year.

Non-attendance of a member of the Committee without the previous permission of the Committee at meetings of the Committee for three months consecutively will be

considered a diqualification for his membership of the Committee and his office shall be considered vacant for the purposes of this rule.

The Secretary will send a reminder to a member of this rule if he has absented himself for two months without the required permission.

Vacancy in the office of the Chairman or the Vice-Chairman.

17. Any vacancy during the year in the office of the Chairman or the Vice-Chairman created by resignation shall be filled up by election in accordance with Rule No. 26.

The Chairman and/or the Vice-Chairman can get from the Committee leave of absence from the work of their offices for a period not exceeding four months, whether the leave is to be enjoyed in or outside India; during such absence of the Chairman the Vice-Chairman shall act as Chairman, and during such absence of the Vice-Chairman, the Committee shall appoint the acting Vice-Chairman from amongst themselves.

Retirement of the Committee.

18. The Committee shall retire at the end of its term of office but shall continue in office till its successor is appointed.

Rules of the Committee.

19. The Committee shall frame its own rules for the purpose of regulating its proceeding which may be amended or altered or revised as it may deem expedient.

Secretary.

20. The Committee shall have the power to appoint a Secretary on such remuneration as it may deem proper and prescribe his duties and functions.

Accounts of the Chamber.

21. The Committee shall cause accounts of the Chamber to be kept and all receipts and funds shall be paid into such bank or banks as may be selected by it. Such accounts shall be regularly audited at the close of the year, and adopted at the Ordinary Annual General Meeting.

Meetings of the Committee.

22. The Committee shall meet at least once a month to dispose of all communications and references and consider all matters which may be on the agenda.

Minute Book.

23. The Committee shall cause to be kept a book in which the minutes of the proceedings shall be regulary recorded.

If a member of the Chamber wishes to see this minute book he can do so after giving at least 24 hours' notice to the Secretary of the Chamber.

Sub-Committees.

24. After the commencement of a new official year, representatives of principal trades who are members of the Chamber shall be asked by the Committee to elect Sub-Committees of five members from amongst themselves. All questions relating to these trades coming before the Committee during the course of the year shall be first referred to such Sub-Committees whose suggestions shall then be placed before the Committee. Such Sub-Committees shall be formed only for those trades which have at least ten representatives as members of the Chamber. The work of electing Sub-Committee shall ordinarily be done by the representatives themselves but they can have the assistance of the Secretary of the Chamber if they require it.

The Committee shall at their discretion appoint a Sub-Committee from among their members to consider and report upon such special matters as they may deem expedient and they shall also have the power to invite at their meeting persons other than members of the Chamber and the Committee to consult them or take their advice on such matters as may be deemed necessary.

Register of Members.

25. The Secretary shall state in the Register of Members of the Chamber names of individual members and of gentlemen who may be representing, for the time being, any members of the Chamber, whether associations, firms or

corporations. All changes in the names of representatives, addresses, etc., shall have to be notified to the Secretary on or before the 31st December for purposes of election of the Committee. A list prepared on the basis of this Register will be called the Electoral Roll of the Chamber and shall be deemed as such not only for purposes of the election of the Committee but also for purposes of elections of representatives of the Chamber on various public bodies. For purposes of election of the Committee, only those whose names are thus registered on or before 31st December shall be entitled to vote; while for purposes of other elections the Secretary shall ask for any changes in the names of representatives, addresses, etc., as provided in the rules relating to those elections, and all such changes or additions or alterations or deletions will be notified to the members within the time specified in the rules for those elections. The elected gentlemen will be considered to be personally elected as representing particular members, and on their places falling vacant through any reason a fresh election will be made according to the rules in force for the time being.

Any member of a firm or its representative, being on that account a member of the Chamber, on his severing the partnership or connection with the firm will no longer be a member of the Chamber.

This rule will not affect Rule 14.

This Register shall contain details regarding business of all members and shall also record the classified list of members according to different trades.

Election of Committee.

26. A list of members of the Chamber together with a list showing the attendance of members of the Committee at their meetings during the year shall be circulated by the Secretary amongst all the members before the 15th of January. Within a week of the receipt thereof nominations for Presidentship, Vice-Presidentship and membership of the

Committee duly proposed, seconded and signed by the nominees shall be sent to the Secretary. Tho Committee shall, before the Annual General Meeting, fix a day which shall be prior to that Meeting, for the election of the members of the Committee and of the President and Vice-President. The Secretary shall prepare and publish a list of nominations received by him, and shall circulate the same amongst the members of the Chamber along with the intimation of the date fixed for the election of the Committee at least three clear days before the date of election.

The retiring Committee shall appoint two Scrutineers, who must be members of the Chamber but shall not be candidates for election.

On the day of the election the ballot-box will remain open from 10 A.M. (S.T.) to 6 P.M. (S.T.) in the office of the Chamber. The voting papers shall be supplied to the members in the office of the Chamber who shall fill these up and place them in the ballot-box. The President and the Vice-President shall be elected from among the nominations received for the Presidentship and Vice-Presidentship respectively, and 23 members shall be elected from among the nominations received for membership of the Committee. Votes recorded for a candidate for Presidentship or Vice-Presidentship will be *ipso facto* recorded for his election as a member of the Committee. The President and Vice-President shall be ex-officio members of the Committee. The counterfoils of these voting papers shall be signed by members and shall remain with the Secretary or an officer of the Chamber appointed by him. The Scrutineers shall seal the ballot-box as also the packet containing the signed counterfoils of voting papers at 6 P. M. (S.T.) on the day of the election and with the Secretary will open the ballot box on the day following the day of election and declare the result by putting up the same on the Notice Board of the Chamber over the Secretary's signature.

This procedure will not apply in the case of the mofussil members, that is to say, members paying Rs. 25

as annual subscription and registered as such in the official Register of the Chamber.

Voting papers shall be sent by post to the mofussil members seven clear days before the date of election. The voting will be carried on in the following manner:—

> Big and small printed envelopes addressed to the Secretary of the Chamber will be sent to the mofussil members with voting papers. Members will enclose their voting papers in the small envelope and then enclose both this envelope and a letter duly signed stating that the voting paper is sent by them in the big envelope and send this to the Secretary who shall open it, placing the letter with the signature in one box and the small envelope containing the voting paper, which shall be unsigned, in the ballot-box. This ballot–box shall be opened by the Scrutineers with the Secretary along with the ballot-box for the local members on the day of scrutiny, and all the voting papers will be scrutinised together.

Those who have obtained the highest number of votes shall be deemed to be duly elected. But in the event of refusal to serve on the part of any one or more of them the member or members who has or have obtained the next highest number of votes shall be considered to be elected in his or their place. The new Committee shall take office on the first day succeeding the holding of the Ordinary Annual General Meeting and they shall so continue to act until the holding of the next Ordinary Annual General Meeting. A member or members of the Chamber representing it in the Indian Legislative Assembly, the Bombay Legislative Council, the Bombay Port Trust, the Bombay Municipality, and the like public bodies will be ex-officio members of the Committee if they are not already members of the same. Such ex-officio members shall not, however, be precluded from contesting the general election.

(*a*) The new Committee shall co-opt, out of the General

Body of members, 40 (forty) per cent of the Association Members.

(*Note.*— For the purpose of calculation under this rule, fraction will be ignored).

(*b*) The new Committee shall further co-opt three ordinary members, who in their opinion will prove useful to them for consultation.

Such co-opted members will be elected by the Committee at their first meeting by ballot from among the members proposed at the meeting by members of the Committee.

Equality of votes.

27. In the case of equality of votes recorded for the election of the Chairman or Vice-Chairman or both, the Committee will invite a second ballot as to who shall be elected. In the case of equality of votes recorded for members of the Committee lots will be drawn and the election be declared in favour of the member who draws the lot.

Visitors.

28. Any person resident out of Bombay, engaged or interested in mercantile pursuits, visiting Bombay may be introduced as a visitor by any member of the Chamber who has previously obtained permission of the Chairman or in his absence the Vice-Chairman, through the Secretary, provided that a residence beyond one month shall subject such visitors to the rules for the admission of members.

Funds of the Chamber.

29. All moneys or funds of the Chamber shall be primarily paid into the hands of the Secretary who shall pay the same into an account to be opened with any bank that may be approved by the Committee in the name of the Chamber. All cheques on that account shall be signed by the Chairman or in his absence by the Vice-Chairman for the time being and a member of the Committee. In the absence of both the Chairman and the Vice-Chairman cheques shall be signed by two members of the Committee.

All cheques shall be countersigned by the Secretary.

Expulsion of members.

30. The Chamber reserves to itself the right of expelling any member in case he does any act or pursues any conduct that is either in contravention of the rules of the Chamber or detrimental to its credit or is in any way injurious to its welfare and interest or by any other good and sufficient reason it is thought desirable to remove him from his membership of the Chamber. But action on that behalf shall only be taken on the resolution of a General Meeting whereat four-fifth of members present have voted in favour of the proposal.

Alteration in Rules and Regulations.

31. The foregoing rules and regulations shall be copied in a book to be kept with the records of the Chamber. Printed copies of the same shall be forwarded to all the members and no alteration or addition shall be made therein or thereto save and except by a majority of three-fourth of the members of the Chamber present at a General Meeting convened by a notice issued at least seven clear days before the holding of such a meeting and in which all the terms of proposed alterations or additions shall have been clearly set forth.

Rules of the Court of Arbitration of the Chamber

As it is desirable that there should be a tribunal for the speedy disposal of disputes and differences arising between merchants, the Indian Merchants' Chamber has adopted the following Scheme :—

1. There shall be a Court of Arbitration working under the supervision and guidance of the Chamber.

2. The Council of the Chamber shall prepare a list of not less than sixty persons who having consented to do

so shall form the Court of Arbitration. Whenever called upon a member or members shall solely or jointly constitute a tribunal for the disposal of a case referred to him or them.

3. There shall be a Committee of five members elected by the Court from among themselves who shall regulate the appointment of arbitrators by the parties for the tribunal, preparing and revising rules of procedure and preparing tables of fees to be charged and paid.

4. This Committee shall be a permanent body but so that two members thereof shall retire every year and whose places shall be filled up by the Court. The retiring members shall be eligible for re-election.

5. In electing members of the Court, the Council of the Chamber shall have regard to the recommendation of the Chambers of Commerce and Trade Associations affiliated to this Chamber.

6. The Secretary of the Chamber shall be the Registrar of the Court. It shall be his duty to act as Secretary of the Court, its Committee and its tribunal and keep records and do all the executive work of the Court.

7. The rules of the Indian Arbitration Act of 1899, and Schedule 2 of the Civil Procedure Code of 1908 (Arbitration) will apply to the arbitrations under these rules except as modified by them.

8. The disputants who wish to take advantage of this scheme shall execute a reference paper in the form prepared by the Committee of the Court and file the same with the Registrar.

9. The Registrar will place reference papers before the Committee of the Court. Parties should nominate arbitrators and in case of their failure to do so within

a week from the day of filing reference, the Committee of the Court shall appoint two arbitrators, and direct to procure their consent to act in the tribunal. This having been obtained and the tribunal constituted the Registrar shall fix a day for the trial and give notice thereof to the parties.

10. On the day fixed for trial and before they commence it the Arbitrators, if they are more than one, between themselves fix upon an Umpire who should take up the arbitration in case of the difference of opinion between the arbitrators. This name shall not be disclosed but shall be written on a paper, put in an envelope and sealed. The envelope shall be handed over to the Registrar who will open it only in case of difference of opinion and thereupon immediately request the Umpire to take up the matter.

11. The arbitrators may take oral or documentary evidence, hear parties or their agents, may take expert advice and do everything to come to a right decision of the case.

12. Within one month from the filing of the reference, or such further time as they may extend, the arbitrators shall prepare a written award, sign the same in the presence of the Registrar and hand over the same to him.

13. The arbitrators in their decisions may by writing extend the time to make their award but in no case it will be later than three months from the date of reference. It they fail to make the award within the time prescribed, the Registrar shall forthwith request the Umpire to take up the matter.

14. The Umpire shall make his award within a fortnight from the day he takes it up provided he extends the time to do so by writing, but such shall not exceed two months from the day on which he has taken up the matter. If he fails to give his award during that time

the arbitration shall lapse and the parties may put in a fresh reference.

15. The parties to an arbitration shall pay to the Registrar such fees as may from time to time be fixed by the Committee of the Court.

16. The arbitrators of a tribunal or an Umpire are entitled to such fee or fees for their services as may be fixed by the Committee of the Court.

Rules prepared by the Committee of the Court for carrying on the work of the Arbitration Court.

1. The provisions of Act IX of 1899 (Arbitration), will apply to all the arbitration made to this Court under its rules.

2. Under these rules the word "The Court" means the Court appointed by the Committee to the Arbitration Court.

3. The disputants shall prepare a submission paper in the form (1) of the Indian Arbitration Act, copies whereof will be supplied by the Registrar on payment of anna one.

4. The submission paper shall state :

(*a*) The name of disputants made over in several numbers and arranged as far as practicable as Plaintiffs and Defendants.

(*b*) Each party shall mention in short the facts of his case.

(*c*) Specify the name of the sole Arbitrator or two Arbitrators as the case may be to whom the submission would be made.

(*d*) Specify whether the Arbitrator or Arbitrators have consented to take up the arbitration.

(*e*) A statement showing that the party shall abide by the award made by the Arbitrator or Arbitrators or the Umpire unless it is bad in the Law.

(*f*) Specify that they have paid Rs. 20 to the Registrar at the time of the submission paper or in case of more arbitrators than one, Rs. 20 for each arbitrator named.

(*g*) The disputants who are not members of the Chamber shall pay double the fees mentioned in Schedule.

5. On receipt of the reference paper, the Registrar shall fix a day for the hearing of the case and give notice to the Arbitrators and the parties. In case any of the Arbitrators refuses to act, the Committee shall be called upon to nominate an Arbitrator in his place who after signifying his consent will at once take up the matter.

6. The Registrar shall issue notices to the parties to appear before the Arbitration Court with the papers proving their case and the witnesses, if any.

7. The Court before proceeding with the case and if the Arbitrators are more than one shall write down the name of the Umpire in case of their disagreement, and place the paper in an envelope, seal it and hand it over to the Registrar. The name shall not be mentioned to any person until on the opening of envelope, by the Registrar as hereinafter provided.

8. The Arbitrators shall hear the parties and their witnesses, consider the documents produced and thereafter adjourn to consider their award.

9. Within the time fixed by the Court Rule XII and within such extended time as may be fixed by the Court

but in no case more than three months from the date of the submission the Arbitrators shall sign their award in the presence of the Registrar who will attest the same and file it.

10. The Arbitrators shall in the arbitrations make provision for the costs and the proportion in which and by whom and to whom to be paid.

11. If the hearing lasts for more than one day of two hours at a time the arbitrators may fix upon the amount of the Court's costs to be paid per diem by the parties.

12. If the arbitrators do not agree as to the award the non-agreement shall be notified to the Registrar who will open the sealed envelope and will at once refer the matter of difference to the Umpire who will make his award within the time prescribed by Rule XIV of the Court's Rules.

13. When the award is made by the Umpire the same shall be signed by him in the presence of the Registrar who will attest it and file it.

14. The Registrar shall within four days from the filing of the award give notice to the parties and, when applied for, give a copy of the same to him or them.

15. The fees fixed in the Schedule annexed hereto shall be charged under these rules.

SCHEDULE

(1) Fee to be tendered with the Reference paper Rs. 20 for each Arbitrator named in the Reference paper and a fee of Rs. 30 shall be tendered for the Umpire in case the matter is referred to the Umpire provided that Rs. 5 shall be deducted from all such fees as fees due to the Chamber.

(2) The parties before they enter upon hearing shall deposit Rs. 50 for making and stamping the award which will be accounted for at the time of filing the award.

(3) The party applying for copy of the award shall pay full stamps required to be paid under the Stamp Act and the copying charges.

Rules for the Election of Port Trustees by the Chamber

(Adopted at the Extraordinary General Meeting of the Chamber held on Wednesday, the 28th February 1923)

1. The Electoral Roll of the Chamber shall be prepared by the Secretary, giving particulars regarding the respective trade of each member provided that the name of each member shall be entered under any one of the following trade sections as he may select, viz., (1) Cotton, (2) Piecegoods, (3) Grain and Seeds, (4) General. No member, after once selecting a particular section, shall be allowed to get his name transferred to another section except for special reasons, and the Committee shall decide as to the validity of such reasons. Protests, if any, against the allocation of a member to a particular trade will be examined by a Sub-Committee consisting of two members appointed by the Committee and the Secretary (whose decision shall be final), on any such date as may be fixed by them. Changes regarding other items in the Electoral Roll shall be notified to the Secretary, within three days of the issue of the circular inviting nomination papers from members desirous of standing as candidates for the election of Port Trustees (as provided in Rule 3) and the Electoral Roll shall be amended accordingly. No vote by proxy shall be allowed.

2. Candidates for the election as Port Trustees, as well as voters should be members of the Chamber, or

duly nominated representatives of the members of the Chamber, with their names registered as such in the Register of members of the Chamber and the Electoral Roll provided that candidates must always be Indians.

3. The Committee of the Chamber shall, as and when necessary, invite applications from members for election as Trustees of Port of Bombay and shall fix the date on which the election shall be held provided that there shall be following allocation of seats to different trade interests :—

Trade	*Seats*
Cotton	1
Piecegoods	1
Grain and Seeds	1
General	2

There may be any number of cadidates from each of these sections but only the number allotted to each shall be elected.

4. Any number desirous of standing as a candidate for the election shall signify in writing such his desire to the Secretary seven clear days before the date fixed for the election, and send his nomination signed by his proposer and seconder who must be members of the Chamber stating what particular section he represents provided that he shall be allowed to stand on behalf of that particular section which has been specified against his name in the Electoral Roll under Rule No. 1.

5. If the number of candidates for election for different sections shall be the same as the number of vacancies, the candidates shall be deemed to be duly elected.

6. If the number of candidates for election for different sections shall exceed the number of vacancies, the Secretary shall send the names of such candidates to each member of the Chamber, three clear days before the day

fixed for the election, giving particulars regarding the trade which each candidate represents.

7. The Committee of the Chamber shall appoint two Scrutineers for the scrutiny of the voting papers at least seven clear days before the date of the election.

8. On the day of the election, the ballot-box will remain open from 10 A.M. to 6 P.M. (S.T.) in the office of the Chamber. Voting papers will be supplied to members of the Chamber in the office of the Chamber and members will fill these up and place them in the ballot-box. The counterfoils of these voting papers shall be first signed by members which shall be retained by the Secretary. The ballot-box will be in charge of the Secretary or an officer of the Chamber appointed by him. Scrutineers will seal the ballot-box at 6 P.M. (S.T.) on the day of the election and after scrutinising the voting papers shall on the day following along with the Secretary declare the result. No duplicate voting paper will be issued unless the original is returned. Candidates and their agents shall not be allowed in the room in which the ballot-box is placed, excepting for the purpose of registering their own votes.

9. The candidate or, when there is more than one Trustee to be elected for the different sections, the candidates not exceeding the number of Trustees to be elected who has or have the largest number of votes shall be declared duly elected.

10. In the event of an equality of votes preventing the due election of any of the candidates, the members shall vote afresh in the manner above laid down in respect of the candidates having an equal number of votes.

11. In the event of a casual vacancy or temporary absence of a Trustee, the same course shall be followed in the appointment of a substitute.

12. *If a candidate is desirous of withdrawing his candidature from the election contest, he should give inti-

mation of his withdrawal to the Secretary so as to reach him at least 48 hours before the day of election.

13. *In case of difference of opinion or a dispute between the candidates for election the matter should not be taken to the Court but should be referred to the Committee. The candidates should not make personal allegations during their election campaign.

(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929).

Rules for the election by the Chamber of a Representative on the Bombay Municipal Corporation

(Adopted at the third Quarterly General Meeting of the Chamber held on 11th November 1922).

1. Candidates for the election as a Corporator of the Bombay Municipality, as well as voters therefor, should be members of the Chamber or representatives deputed by member-firms or member-associations (whose names should be duly notified to the Secretary of the Chamber from time to time) provided that candidates must always be Indians.

2. Those members who wish to become candidates in conformity with Rule 1 should send their names to the office of the Chamber twelve clear days before the date fixed for the election together with the names of proposers and seconders.

3. The Committee of the Chamber shall elect two Scrutineers at least seven clear days before the date fixed for the election.

4. The Secretary of the Chamber shall circulate the names of candidates at least seven clear days before the date fixed for election.

5. The Committee shall fix a day (notice thereof shall be given to all the members of the Chamber) on which the ballot-box will be kept open from 10 A.M. to 6 P.M. (S.T.). Voting papers will be provided to the members in the office of the Chamber and the members will be required to place them, duly filled in the ballot-box. The slips containing the signatures of the members voting will be placed in another box. Both these boxes will remain in charge of the Secretary or other officer of the Chamber appointed by him. At 6 P.M. (S.T.) on the date of the election the Scrutineers shall seal the ballot-box and on the next day after scrutinising the voting papers declare the result of the election. A fresh voting paper will only be issued on the return of the orignal one. It shall not be open to the candidates or to their agents to enter the room containing the ballot-box except for the purposes of recording their votes, nor will they be permitted to arrange refreshments in connection with the election.

6. The candidate who gets the highest number of votes, shall be declared duly elected.

7. In the event of two or more candidates getting an equal number of votes, the election shall be held afresh in the manner above laid down in respect of candidates getting an equal number of votes.

8. In the case of there being only one candidate, he shall be declared duly elected.

9. In the case of a casual vacancy necessitating the election of a substitute, the election shall be made in the manner above laid down.

*10. If a candidate is desirous of withdrawing his candidature from the election contest, he should give intimation of his withdrawal to the Secretary, so as to reach him at least 48 hours before the date of election.

*11. In case of difference of opinion or a dispute between the candidates for election the matter should not

be taken to the Court but should be referred to the Committee. The candidates should not make personal allegations during their election campaigns.

(* Added at the Quarterly General Meeting of the Chamber held on 27th July 1929).

Rules for the Election of a Representative of the Indian Merchants' Chamber to the Senate of the Bombay University under Act IV of 1928

(*Adopted at the Extraordinary General Meeting of the Chamber held on 12th February* 1929).

1. The list of Members of the Chamber in force one week before the election date shall be considered as the Electoral Roll, copies of which can be had from the Office of the Chamber on payment of Rupee One each. If any changes are required to be made in the names of representatives, etc., in the Roll, information in writing must be given to the Secretary by members one week before the date of election. No intimation received after the due date will be recognised.

2. Candidates for election should be members of the Chamber or representatives deputed by members provided they are always Indians.

3. Any member desiring to stand as a candidate should send in his name to the office of the Chamber ten days before the date fixed for election together with the names of a proposer and a seconder, whose names appear on the Electoral Roll.

Any nomination paper which is not in conformity with these Rules shall be deemed invalid and rejected as such.

4. The Committee of the Chamber shall elect two Scrutineers at least five days before the date fixed for election,

5. If there is not more than one candidate for election, the candidate duly nominated shall be declared to be duly elected. If, however, there are more candidates than one, the Secretary shall send the names of all candidates to each member of the Chamber seven days before the date fixed for election.

6. The Committee shall fix a day (notice whereof shall be given to all members of the Chamber) on which the ballot-box will be kept open from 10 A. M. (S. T.) to 6 P.M. (S. T.). Voting papers will be provided to members in the office of the Chamber and members will be required to place them duly filled in the ballot-box. Counterfoils of the voting papers, which should be placed in another box, should be first signed by the voters. Both these boxes will remain in charge of the Secretary or other officer of the Chamber appointed by him. The Scrutineers will seal the ballot-box at 6 P. M. (S. T.) on the day of election, and shall on the next working day after scrutinising the voting papers, with the Secretary, forthwith declare the result. No Duplicate voting paper will be issued unless the original is returned.

7. Candidates or their agents shall not be allowed in the room in which the ballot-box is placed, except for the purpose of registering their own votes, and not more than one voter at a time shall be allowed in the room.

8. A candidate getting the highest number of votes shall be declared duly elected. In the event of two or more candidates getting the highest number of equal votes, the election shall be held afresh in the manner above laid down in respect of only those candidates who get highest number of equal votes, within five days of the declaration of the result.

If of the candidates who have secured an equal number of votes all but one withdraw from the contest and intimate in writing such withdrawal to the Secretary not less than two clear days before such a fresh election, the remaining candidate will be declared to be duly elected.

9. *If a candidate is desirous of withdrawing his candidature from the election contest he should give intimation of his withdrawal to the Secretary so as to reach him at least 48 hours before the day of Election.

10. *In case of difference of opinion or a dispute between the candidates for election, the matter should not be taken to the Court but should be referred to the Committee. The candidates should not make personal allegations during their election campaigns.

(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929).

PUBLIC BODIES ELECTION RULES.

1. These rules shall be called the Indian Merchants' Chamber Public Bodies Election Rules.

2. These rules shall apply to all elections by the Committee of representatives of the Chamber on public bodies mentioned in the attached Schedule, on which the Chamber has been, or is, given permanent representation.

3. All elections under these rules shall be made by the Executive Committee of the Chamber.

4. Any member of the Chamber, who is duly proposed by a member of the Committee and seconded by another member of the Committee shall be eligible to stand as a candidate for election.

5. On a vacancy, to be filled by election under these rules, occurring in any of the public bodies, the Secretary of the Chamber shall circulate the information to all members of the Chamber.

6. Candidates for election shall send in their nomination, so as to reach the Secretary within five days from the date of the circular under Rule 5. Nominations shall be in the prescribed form, copies of which can be had from the Secretary.

7. The President shall fix the date of the election. A list of nominations received, together with information regarding the date of election shall be circulated by the Secretary to the members of the Committee two days before such date.

8. The Election shall be by show of hands. In case of tie, the President shall have a casting vote.

SCHEDULE.

1. The Indian Central Cotton Committee.
2. Local Advisory Committee of the G. I. P. Railway.
3. Local Advisory Committee of the B.B. & C.I.Railway.
4. Governing Body of the I.M.M.T.S. "Dufferin."
5. Advisory Committee of the Royal Institute of Science.
6. Advisory Committee of the Bombay Development Department.
7. Bombay Traffic Control Committee.
8. Board of Communications, Bombay.
9. Indian Sailors' Home Committee.

(Framed and adoped by the Committee of the Chamber on 7th July 1936.)

CHAIRMEN OF THE INDIAN MERCHANTS' CHAMBER.

1907—13 The Hon. Sir Manmohandas Ramji.
1913—14 Sir Purshotamdas Thakurdas, C.I.E., M.B.E.
1914—15 Sir Fazulbhoy Curimbhoy, C.B.E.
1915—16 The Hon. Sir Dinshaw Edulji Wacha.
1916—17 Sir Lallubhai Samaldas, C.I.E.
1917—18 Sir Vithaldas D. Thakersey.
1918—19 Sir Chunilal V. Mehta, K.C.S.I.
1919—20 Mr. Jehangir Bomanji Petit.
1920—21 Mr. Lalji Naranji.
1922 Sir Purshotamdas Thakurdas, C.I.E., M.B.E.
1923 Sir Fazulbhoy Curimbhoy, C.B.E. (from 24-2-23 to 3-9-23).
Mr. Devidas Madhowji Thakersey (from 4-2-23 to 25-1-24).
1924 The Hon. Sir Manmohandas Ramji.
1925 The Hon. Sir Phiroze C. Sethna, O.B.E.
1926 Mr. Lalji Naranji.
1927 Mr. Walchand Hirachand.
1928 Sir Shapurji B. Billimoria, Kt. M.B.E., (from 31-1-28 to 20-3-28).
Mr. H. P. Mody (from 30-3-28 to 17-7-28) and Mr. L. R. Tairsee (from 28-7-28).
1929 Mr. L. R. Tairsee.
1930 Mr. Hooseinbhoy A. Lalljee.
1931 Sir Chunilal V. Mehta, K.C.S.I.
1932 Mr. B. N. Karanjia (till November).
Mr. Mathuradas C. Matani (November to January).
1933 Sir Manmohandas Ramji.
1934 Mr. Mathuradas Vissonji.
1935 Mr. Manu Subedar.
1936 Sir Rahimtoola Chinoy, Kt.

Secretary : J. K. Mehta.

Asst. Secretaries : Mr. A. C. Ramalingam, and Mr. K. P. Daru

CHAMBER'S REPRESENTATIVES ON PUBLIC BODIES

Representative in the Legislative Assembly.

Mr. Mathuradas Vissonji, M.L.A.

Representative in the Bombay Legislative Council

Mr. Laxmidas R. Tairsee.

Representatives on the Board of Trustees of the Port Trust

1. Sir Purshotamdas Thakurdas, C.I.E., M.B.E., (Cotton).
2. Mr. Gordhandas N. Morarji (Picegoods).
3. Mr. M. C. Matani (Grain and Seeds).
4. Mr. A. D. Shroff (General).
5. Mr. Laxmidas R. Tairsee (General).

Representative on the Bombay Municipal Corporation

Raja Bahadur Govindlal Shivlal.

Representative on the Advisory Committee of the Bombay Development Department

Mr. Manu Subedar.

Representative on the Indian Central Cotton Committee

Mr. Chunilal B. Mehta.

Representative on the Advisory Committee of the Royal Institute of Science in Bombay.

Mr. Kapilram H. Vakil.

Representatives on the Local Advisory Committee of Railways

G. I. P. Railway :—

Mr. Gordhandas G. Morarjee.

B. B. & C. I. Railway :—

Mr. R. P. Masani.

Representative on the Panel of the Railway Rates Advisory Committee

1. Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.
2. The Hon'ble Sir Phiroze C. Sethna, O.B.E.
3. Mr. Manu Subedar.
4. Mr. Mathuradas Vissonji.
5. Mr. M. C. Ghia.

Representative on the Governing Body of the Indian Mercantile Marine Training Ship 'Dufferin'

Mr. M. A. Master.

Representative on the Senate of Bombay University

Prof. S. R. Davar.

Representative on the Tariff Control Committee (Bombay)

Mr. L. R. Tairsee

Representative on the Board of Communications

Mr. K. S. R. Iyer.

Representative on the Indian Sailors Home Committee

Mr. M. A. Master.

Representative on the Board of the Bombay Telephone Co.

Mr. Mathuradas Vissonji.

Representative on the Sydenham College Advisory Board

Sir Rahimtoola M. Chinoy, Kt.

LIST OF THE OFFICE-BEARERS FOR THE YEAR 1937.

President : The Hon'ble Mr. Govindlal Shivlal.

Vice-President : Mr. Gordhandas G. Morarjee.

Members of the Committee (Elected) :

1. Mr. M. C. Ghia.
2. ,, J. C. Setalvad.
3. ,, Manu Subedar.
4. ,, M. M. Amersey.
5. ,, Mathuradas Canji Matani.
6. ,, Anandji Kanji.
7. ,, Bhawanji A. Khimji.
8. ,, Dhirajlal C. Modi.
9. ,, Chandulal P. Parikh.
10. ,, Mangaldas B. Mehta.
11. Sir Sorabji N. Pochkhanawalla, Kt.
12. Mr. Walchand Hirachand.
13. ,, Vithaldas D. Govindji.
14. ,, Amratlal Kalidas.
15. ,, Chunilal B. Mehta.
16. ,, Mohanlal A. Parikh.
17. ,, Nagindas T. Master.
18. ,, S. C. Majumdar.
19. ,, Sarabhai Pratapprai.
20. ,, Keshavprasad C. Desai.
21. Dr. M. Venkatrao.
22. Mr. Nandlal M. Bhuta.
23. ,, Behram N. Karanjia.

Co-opted :

1. Sheth Chaturbhuj Gordhandas.
2. Mr. Jal A. D. Naoroji.
3. ,, H. S. Mahomed.
4. The Grain Merchants' Association. (Velji L. Napoo, Esq.)
5. The Sugar Merchants' Association. (Mr. Sankalchand G. Shah.)
6. The Maharashtra Chamber of Commerce. (Mr. M. L. Dahanukar.)
7. The Iron Merchants' Association. (Mr. Taherally M. Saherwala.)
8. The Bombay Kariana Merchants' Association. (Mr. D. P. Tata.)
9. The Indian National Steamship Owners' Assocn. (Mr. Shantikumar N. Morarji.)
10. The Cotton Merchants & Muccadams Assocn. (Mr. Purshotamdas H. Shah.)
11. The Bombay Yarn & Silk Merchants' Association. (Mr. Purshotamdas Popatlal.)
12. The Bombay Diamond Merchants Association. (Mr. Bhogilal Laherchand Jhaveri.)
13. The Rice Merchants Association (Mr. Rowjee Ghellabhoy.)
14. The Seeds Traders Association (Mr. Ratilal M. Gandhi.)
15. The Bombay Grain Dealers Association. (Mr. Khimji Madan Bhujpuria.)

Ex-Officio :

1. Seth Mathurdas Vissonji, M.L.A. (Legislative Assembly)
2. Mr. Lakhmidas Rowjee Tairsee (Bombay Port Trust)
3. Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E. (Bombay Port Trust)
4. Mr. A. D. Shroff (Bombay Port Trust)
5. Prof. Sohrab R. Davar (Bombay University Senate)

6. Sir Rahimtoola M. Chinoy, Kt., (Sydenham College of Commerce & Economics)
7. Mr. M. A. Master (Governing Body of the I.M. M.T.S. "Dufferin")
8. Mr. R. P. Masani (B.B. & C.I. Rly. Local Advisory Committee)
9. Mr. Kapilram H. Vakil (Royal Institute of Science)
10. Mr. K. S. Ramachandra Iyer (Board of Communications).

Mr. J. K. Mehta, M.A., (Secretary)

Mr. A. C. Ramalingam (Asst. Secretary)

LIST OF JOURNALS AND PERIODICALS RECEIVED IN THE LIBRARY OF THE INDIAN MERCHANTS' CHAMBER

Quarterly

1. Empire Cotton Growing Review.
2. Swedish Economic Review.
3. *Finish Trade Review.
4. Journal of Industrial Research, Australia.

Bi-Monthly

1. The Yokohama Trade Review.
2. Industrial Safety Survey (International Labour Office).

Monthly

1. *Monthly Bulletin of Statistics issued by the League of Nations.
2. International Conciliation.

*Subscribed for by the Chamber.

3. London Chamber of Commerce Journal.
4. Monthly Journal of the Liverpool Chamber of Commerce.
5. ,, ,, ,, Manchester ,,
6. ,, ,, ,, Sheffield ,,
7. ,, ,, ,, Bradford ,,
8. ,, ,, ,, Nottingham ,,
9. ,, ,, ,, Northamptonshire ,,
10. Monthly Report on Current Economic Conditions in Japan issued by the Tokyo Chamber of Commerce.
11. *National Geographic Magazine.
12. Indian Insurance.
13. Mercantile Guardian.
14. *International Labour Review.
15. Bombay Labour Gazette.
16. Engineering Progress.
17. Monthly Sea-borne Trade Return of British India.
18. Monthly Returns of the Coasting Trade of British India.
19. Monthly Statistics of Cotton Shipping & Weaving in Indian Mills.
20. Trade at Stations adjacent to Land Frontier Routes.
21. Exports of Indian Artware and Sportsgoods.
22. Kathiawar Trade Statistics.
23. Raw Cotton Trade Statistics.
24. Joint Stock Companies.
25. Statistics of Import & Export trade in Cotton Yarn & Piecegoods of British India. (Issued by the Bombay Millowners' Association).
26. Statistics of Import & Export trade in Cotton Yarn & Piecegoods of the Bombay Presidency excluding Sind. (Issued by the Bombay Millowners' Association.)
27. *Modern Review.
28. *Asia.
29. American Exporter.
30. The German Industrial Echo : Exporters' & Importers' Journal.

*Subscribed for by the Chamber.

31. German Exporter.
32. Belgium Abroad.
33. Monthly Summary of the Foreign Commerce of the United States.
34. Swedish Exporter.
35. Indian Concrete Journal.
36. Monthly Review of the Lloyds Bank.
37. ,, ,, ,, National City Bank of New York.
38. ,, ,, ,, Barclays Bank.
39. ,, ,, ,, Midland Bank.
40. ,, ,, ,, Westminster Bank.
41. "Index"—(Svenska Handelsbanken, Stockholm).
42. World Trade. (International Chamber).
43. Ubersee Post.
44. Mysore Economic Journal.
45. Tisco Review.
46. N. Y. K. Travel Bulletin.
47. *Fortune (U.S.A.).
48. Indian Trade & Finance.
49. Financial Times.
50. Times (London) Trade & Engineering Supplement.
51. The Commercial Review, Aleppey.

Weekly

1. *Economist.
2. *Commerce, Bombay.
3. *Indian Finance.
4. *Manchester Guardian Commercial.
5. Board of Trade Journal.
6. Indian Trade Journal.
7. Commerce Reports (U.S.A.).
8. Calcutta Commercial Gazette.
9. Industrial & Labour Information.
10. New Statesman & Nation.
11. Bombay Government Gazette.
12. Gazette of India.
13. Social Order.

*Subscribed for by the Chamber.

14. Servant of India.
15. Commerce & Industry.
16. Financial News.
17. *Harijan.
18. Roy's Weekly.
19. Weekly Market Report by Messrs. Premchand Roychand.
20. Indian Economist.
21. Report of German Institute for Research.

Occasional

1. Legislative Assembly Debates.
2. Council of State Debates.
3. Bombay Legislative Council Debates.
4. *Publications of the International Labour Office.
5. Indian Tea Statistics.
6. Indian Coffee Statistics.
7. Indian Agricultural Statistics.
8. Wholesale Price of certain Staple Articles of Trade at Selected Stations in India.
9. Publications of the League of Nations.
10. Bulletins issued by the United States Bureau of Labour Statistics.
11. Bulletins issued by the Government of Bombay, Department of Industry.
12. Bulletins issued by the Government of Bombay, Agricultural Department.
13. Pamphlets issued by the Commonwealth of Australia Council of Agricultural Research.
14. Reports of Several Chambers of Commerce and other Commercial Associations.
15. Reports of Tariff Board.

*Subscribed for by the Chamber.

16. Customs Tariffs of different nations as supplied by the Department of Commercial Intelligence and Statistics, Calcutta.
17. Publications issued by the Department of Commercial Intelligence & Statistics.
18. Review of Trade.
19. Economic Forum (U.S.A.).

Gujerati Periodicals

1. Praja Bandhu.
2. Sarvoday.
3. Jnan Vardhak.
4. Khetiwadi Vignan.
5. Bhagyoday.
6. Vaidya Kalpataru.
7. Digambar Jain.
8. Gujerati Punch (Weekly).

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The 29th Annual General Meeting of the Chamber was held on Tuesday, the 26th January 1937 at 5-0 P.M. (S.T.) to transact the following business :—

1. To receive the Annual Report of the retiring Committee and the audited statement of accounts of the Chamber for the year 1936.
2. To record the declaration of the result of the election of office bearers of the Chamber for the year 1937.
3. To appoint auditors for the year 1937.

The following members were present :—

Sir Rahimtoola M. Chinoy, Kt., (President)
The Hon. Mr. Govindlal Shivlal Motilal (President elect)
Mr. Gordhandas G. Morarji (Vice-President elect)
Mr. Anandji Kanji
,, Mathuradas C. Matani
,, Ratilal M. Gandhi
,, Purshotamdas Harkisondas
,, Jethmal Narandas
,, B. S. Dabke
,, Sankalchand G. Shah
,, L. R. Tairsee
,, Mohanlal A. Parikh
,, Venkatrao Sista
,, R. P. Masani
,, Ramdas Girdhardas
,, Morarji J. Vaidaya
,, Motilal Agarwal
,, B. N. Karanjia
Dr. M. Venkatrao
Mr. Jethalal D. Dave
,, B. J. Modi
,, K. S. R. Iyer
,, V. N. Patruni
,, Tulsidas Khimji
,, G. S. Ranade
,, P. J. Shroff

Mr. Purshotamdas Popatlal
„ Chandulal P. Parikh
„ Jamnadas H. Sanghvi
„ S. C. Majumdar
„ M. C. Ghia
„ Maneklal P. Shah
„ Vithaldas D. Govindji
„ Chathurbhuj Gordhandas
„ D. F. Kapadia
„ J. C. Setalvad
„ Madhavlal M. Bhatt
„ Bhawanji A. Khimji
„ Thakorelal H. Vakil
Sir M. Visvesvaraya
Mr. M. M. Amersey
„ Manchersha R. Bhoora
„ N. H. Poojara
„ Mangaldas B. Mehta
„ Sarabhai Prataprai
„ Nagindas T. Master
„ J. P. Mehta
„ Nandlal Chhaganlal
„ B. D. Khimji
„ A. G. Shah
„ A. B. Motwani
„ Keshavprasad C. Desai
„ Shamji Vallabhji
„ Ghelabhai
„ Dhirajlal C. Modi
„ Vrajlal Jivandas
Mr. J. K. Mehta (Secretary)

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1. The Secretary read the notice convening the meeting.

2. In placing before the meeting the report of the work done by the Committee during the previous year and the audited statement of accounts, Sir Rahimtoola M. Chinoy, President made the following speech :—

Speech of Sir Rahimtoola M. Chinoy, Kt., retiring President of the Indian Merchants' Chamber, at the 29th Annual General Meeting of the Chamber, held on Tuesday, the 26th January, 1937:

Gentlemen,

I have great pleasure in placing the Annual Report of the Committee of the Chamber for the year 1936 before you. The last year was not a particularly happy one for the world at large, and if the world at large is not happy the commercial community also cannot be happy.

The Imperialistic ambitions of Fascist Italy, which led to the campaign against Abyssinia in the previous year, resulted in 1936 in the subjugation of that ancient kingdom, under the very nose of the League of Nations. Might once again prevailed over Right; the Big Powers merely looked on and the futility of the League was demonstrated to the world! As if all this was not sufficient, Spain has been made a battle ground between two opposing forces, and the atrocities and cruelties being perpetrated there in the name of one principle or the other are beyond description. We can but sympathise with the Spanish people in their dire distress.

The British Empire has also suffered a severe shock in the abdication of King Edward VIII, whose remarkable abilities and well-known sympathies gave an assurance of a successful regime. Unfortunately, that was not to be, and the Empire has witnessed the tragedy of his abdication after such a short reign.

Coming nearer home, the new constitutional changes will be put into force from 1st April of this year. The next two months people will be busy with elections. Different parties will have different slogans naturally, but one thing is certain that all of them want to secure as many seats in the Councils as possible. It remains to be seen how the

the Ministries will be formed and how the work will be carried on in the new Councils. All one can say is that, from whatever angle one may look at it, the present period is a momentous one for the country, and we can only hope that India will come out of it with added prosperity and enhanced prestige.

The legislative Session of the Assembly was marked by the passing of the amended Indian Companies' Act, a by no means mean achievement, which will have salutary repercussions on the developement of Joint Stock Companies. It is but natural that such a heavy and complicated piece of legislation, when it is passed with such high speed through the legislature, should have certain inaccuracies. It may be hoped that these will be removed by special amendments. The Act has come into force and practical experience may also show certain defects and these also may be removed by special amendments.

While it cannot be said that we are out of the slough of despond and depression, trade and industries have begun to show some signs of revival and healthy activity. As for agriculture, the era of low prices has been going away and there would have been a much better state of things for it, but for the unhappy incidents of unsympathetic weather conditions. While in some portions there were heavy floods and agriculturists were ruined through the devastation caused by them, in other places there was a scarcity of rainfall and famine conditions prevailed. Sir Guy Fleetwood Wilson, one time Finance Member of the Government of India, referred to budgets in this country as gambles in rain, and this still holds good after two decades.

The devaluation of the *Franc* (French) followed by the devaluation of some European currencies led to a good deal of unsettlement of conditions in trade and industries. All this devaluation was aimed at the stabilisation of their financial conditions by different countries and also with a view to prevent financial and industrial debacle. The Indian commercial community hoped that the Government of India

might follow this policy initiated by European countries and devalue the Rupee to some extent. Unfortunately, the Government of India have still remained wedded to their peculiar currency doctrines and refused to budge from the position they have taken up all along. The time has come when a proper enquiry should be made in the necessities of the situation, and we may still hope that Government will not continue to hold to the present ratio under the illusion that any change in the ratio might affect their prestige.

The year also saw the initiation of negotiations for trade treaties as between India and Japan and India and Great Britain. It was thought that the treaty between India and Japan would be ratified long before the close of the last year. This has not been so however, and the negotiations are still dragging on their course. An air of mystery surrounds these negotiations and the public is left wondering as to why there has been any delay and what the ultimate outcome will be. The Legislative Assembly scrapped the Ottawa Pact, and with a view to having a trade treaty between India and Great Britain negotiations were opened and non-official advisers were appointed. Here too, there has been much delay and it is not likely that we shall see a speedy conclusion of this agreement. Trade negotiations between India and other foreign countries are of an important and vital character and it is a good privilege secured that India should conduct her own negotiations with foreign countries. In order, however, that such negotiations may result in economic benefit to this country, it is necessary that these negotiations should be entered upon by the Government of India with only the interests of this country at heart. If these negotiations come to a fruitful conclusion, it may be deemed advisable that India should enter into negotiations also with countries like the U. S. A.

Ceylon is one of our nearest neighbours and it is regrettable that a misunderstanding of a more or less serious character has been going on for sometime past between Ceylon and this country. There is a certain section there which has obviously taken its cue from Colonies like South

Africa, and East Africa, and does not want Indian settlers. At the same time, we are assured by people who ought to know Ceylon that this section is a very small one and need not be taken seriously. One thing, however, is clear from these reports and counter-reports that an agreement with Ceylon would be quite the thing for this country.

Your Committee have been long since agitating for Indian Trade Commissioners being appointed in Japan and Africa, and we are glad to learn that Government have now decided to appoint these. Our trade relations with Japan, specially after the war, have increased very much, and there is a great necessity of having an Indian Trade Commissioner, who can realise the implications of any Indo-Japanese Trade Treaty and help the Indian merchants and businessmen. With regard to East Africa, the necessity is equally great. There are British Crown Colonies and Mandatory Territories, and recently the policy of excluding Indians is stiffening up. Trade restrictions of a more or less onerous character are placed upon Indians and attempts are made, as in Zanzibar, to expropriate the longstanding rights of Indians on a large scale.

This leads me to speak on the question of the Clove Industry in Zanzibar, which has been seriously occupying the attention of our people for the last three or four years. It is now ancient history that it was the Indian settlers who went to Zanzibar nearly a century back and who made Zanzibar what it is at present. Unfortunately, the prosperity of Indians has not evidently been to the liking of a certain section of Europeans who, through the Zanzibar Government, have been trying their best to ruin the Indian interests in Zanzibar as much as they can. The principal industry of Zanzibar is the Clove industry and Indians have been connected with it as bankers and financiers, as also merchants and exporters. A blow was struck at these interests by starting the so-called Clove Growers' Association and by various Decrees issued by the Government of Zanzibar, which practically aimed at expropriating Indian interests and ousting them from the Colony. The

Government of India, be it said to their credit, have been sympathetically following this struggle and deputed Mr. Menon, an able Indian Officer, to report on the situation. His report was very favourable to Indians and bore out their contentions. Even then the Government of Zanzibar did not cease their anti-Indian efforts and Mr. Binder was appointed by the Colonial Office to enquire into the working of the Clove Growers' Association of Zanzibar and to review the position of the Clove Industry and report whether in the permanent economic interests of the territory as a whole and, if so, what modifications were necessary or desirable in the system of control as it existed. Mr.Binder's report has unfortunately failed to appreciate the Indian point of view as he has restricted himself to considering the economic interests of the territory as a whole. Indians are a part of the territory and he should have considered the repercussions of all the recent executive and legislative action on their interests. He however philosophically observes that if steps taken and which may be taken can be demonstrated to be directed towards the improvement of the Clove industry as a whole they must prevail as being in the best interests of the country even though they might unfortunately cause individual or racial hardships. The Government of Zanzibar have admitted that the problem is a racial one, and if under the guise of economic advantage to Zanzibar the Indian interests are to be sacrificed from a racial point of view, the Government of India should step forward and take more vigorous action to safeguard these interests of which they are the custodians. On this issue of Zanzibar, there is perfect unanimity amongst all sections of our people, and it remains to be seen how the Imperial Government deals with this question.

I should like to refer in my speech to some remarks which were made by Mr. A. D. Campbell, President of the Indian Section of the Manchester Chamber of Commerce, to the effect that important as the question of Japanese competition had been, it was naw abundantly clear that the decline of Lancashire's Indian trade was due to the excessive protection of the domestic industry rather than the

Japanese competition which has been strictly limited in volume for ten years. These remarks are truly amazing!

Throughout the negotiations which have proceeded during the last decade, either with regard to the constitutional changes now being inaugurated in this country or with regard to trade agreements made officially or non-officially, one thing has been kept quite clear and that is that all such agreements will not affect the right of India to have substantial protection for her industries. In the draft Instrument of Instructions to the Governor-General, it has been specifically laid down that

> "In the discharge of his special responsibility for the prevention of measures which would subject goods of the United Kingdom origin imported into India to discriminatory or penal treatment, Our Governor-General shall avoid action which would affect the competence of his Government and of the Federal Legislature to develop their own fiscal and economic policy or would restrict their freedom to negotiate trade agreements whether with the United Kingdom or with other countries for the securing of mutual tariff concessions."

Article I, again, of the Indo-British Trade Agreement mentioned that

> "While protection to an Indian industry against imports of whatever origin may be necessary in the interests of the economic well-being of India, the conditions within industries in India, in the United Kingdom and in foreign countries may be such that an Indian industry requires a higher level of protection against foreign goods than against imports of United Kingdom origin."

Even the Mody-Lees Pact agreed that the Indian Cotton Textile Industry was entitled for its progress and development to a reasonable measure of protection against imports of United Kingdom yarns and piecegoods.

Sir H. P. Mody, speaking on this question of protection recently at the annual meeting of the Employers Federation at Calcutta, retorted to the Hon'ble the Finance Member, who referred to the demands for protection, rather cynically, as "more and more protection with less and less enquiries and for longer and longer periods." Sir H. P. Mody hoped that it was not the intention of Government "to give more and more imports, less and less production and greater and greater unemployment." He also emphasised that the question arose whether the principles laid down by the Fiscal Commission did not require to be revised and rendered more liberal in their application, when the whole world was moving towards an intense economic self-sufficiency, and there were no portents on the horizon indicating a return to pre-war conceptions of international trade or normalcy.

In view of these circumstances, one cannot understand how a responsible person like the President of the Indian section of the Manchester Chamber of Commerce should have proceeded to make these remarks. Surely, it is not expected that India will now revert to the position which she once occupied when Lancashire goods were dumped here to any extent and were subjected to a trifling duty, the effect of which was nullified by an Excise duty of a similar character!!

The Committee of this Chamber have on several occasions drawn the attention of the Government of India to the large amount of smuggling going on both on the land and sea frontiers of the country. This smuggling has resulted in a reduction of the revenues of the Government of India to a very large and appreciable extent. Intimately connected with this question was the problem of the diversion of trade to new ports in Kathiawar which affected, as you know very well, the trade of Bombay to a very large extent. It is a matter of congratulation that the Government of India during the course of the last year entered into arrangements with some maritime States laying down a procedure for the levy of Customs duty on

imports into their States. At the same time vigorous measures are being taken both on the land and sea frontiers to try to check the evil of smuggling as a result whereof, according to newspaper reports, smuggling has gone down in Pondicherry and in other parts. Your Committee have been severe critics of the Government of India with regard to several measures of theirs, and it will not be inappropriate if with regard to this question I congratulate them on the steps they have taken,—steps which will lead to the increase in the Customs revenues of the Government of India in these days, when every increase in the revenues is to be welcomed. I hope this will also lead to beneficial effects on the trade and commerce in British India.

In conclusion, I have to thank you, members of the General Body, as also members of the Committee of the Chamber for the kind co-operation you all have extended to me during my year of office. As I have briefly reviewed, there have been several knotty questions discussed last year, and if I have been able, as your President, to deal with them all, it was due to the co-operation so heartily extended by you all.

I must here also express my deep thanks to my colleague Mr. A. D. Shroff, Vice-President of the Chamber. Throughout the year his help and co-operation were invaluable and he gave an ungrudging assistance to me in the work of the Sub-Committees and the Committee.

With regard to the recent election of the President of the Chamber, I do not want to enter into any details or discussion regarding the same, but I should like to congratulate Mr. Govindlal Shivlal Motilal on his election by a majority of members as President of the Chamber. I hope that he will maintain the traditions of the Chamber and keep its prestige and reputation as they have been maintained in the past. I should also congratulate Mr. Gordhandas G. Morarjee on his election as Vice-President of the Chamber.

In conclusion, I wish to take this opportunity of expressing my deep appreciation of the whole-hearted assistance and splendid services rendered by the Secretary, Mr. Jaisukhlal Mehta and the two Assistants, and the staff of the Chamber during my year of office.

Speech of the Honourable Raja Bahadur Govindlal Shivlal, the incoming President of the Indian Merchants' Chamber, at the 29th Annual General Meeting of the Chamber, held on Tuesday, the 26th January, 1937.

Mr. President and Members of the Chamber:

I am deeply obliged to you all for electing me as President of the Indian Merchants' Chamber for the coming year. This Chamber, in its career of three decades, has built up such prestige and reputation, that Presidentship of the Chamber is now deemed one of the highest honours to which an Indian businessman can aspire. I myself am not temperamentally much in favour of election fights or election agitation and, left to myself, I might not have stood for the Presidential election of the Chamber this year. There are times, however, when a call comes to one to take up certain duties and responsibilities, a call which, both on moral and national considerations, one cannot refuse. Such a call came to me, when I was asked by a few friends to stand for the Presidentship of the Chamber. It was not a question of individuals so much as a question of principles. Throughout all these thirty years, we have seen the Chamber and its successive Presidents and Committees recognising the principle that business cannot be separated from politics. Situated as we are, it is useless to say that we can dissociate business from politics. Politics has its different colours, but generally the politics of this Chamber, as I believe of all our Indian Chambers of Commerce and even of the Federation of Indian Chambers, is the politics of a nationalistic colour. While the Chamber cannot be, by the very nature of things, affiliated to any political organisation as such, it would also not be

appropriate or desirable that the guidance of its affairs should be in the hands of one whose outlook on the questions of the day may not be the general outlook of the Chamber as we have seen and known for the several years. Believe me, when I say that I did not consider it a pleasant task to oppose a man like Mr. A. D. Shroff, and yet as Socrates is reported to have said : "Plato is dear to me, but Turth is dearer than Plato". Urged by these considerations, I fought the election, and I have to thank you all for the result which is not so much indicative of honour done to me personally as honour to the spirit which permeates the land at present and is the inspiring force to no small extent even of the business community.

This Chamber has always maintained its distinct individuality during all these years, and I do not want that this individuality should suffer to any extent. At the same time, the heart-throbs of the Chamber have always been beating in unison with the surging national life of the country and now, as before, the Chamber, as a microcosm of the larger national life which is the macrocosm, has to shape its policy in consonance with the national demands and urgings. This does not, and should not, mean that the Chamber loses its individuality, which I consider of as much importance as any other member of the Chamber. The Indian business community in Bombay has built up this Chamber with years of toil and work, and we all consider it as a sacred trust and we would all co-operate regardless of our individual differences, in developing it more and more.

There is no necessity for an assurance on my part that as President of the Chamber, I have no parties or groups. In fact, even upto now, I have not belonged to any party or group and have chosen to steer my own independent course of loyalty to principles, which I esteem, to guide my conduct and action. I hope, therefore, with the co-operation of all the members of whatever shades of opinion, I shall be able to steer the ship of the Chamber in the coming

year with as much care as my predecessors did. I should like to take this opportunity of expressing my thanks also to the Press, which regards the Chamber always as a national institution and which offers to it its unstinted co-operation.

Industrialisation.

Industrialisation on a large and varied scale has come to be the accepted policy of this country. The progress which we have made in this direction, despite the handicaps we have in the shape of a foreign Government with its halting and reactionary industrial policy, is not small, and India has come to be recognised even by the League of Nations and the International Labour Conference as one of the leading industrial countries. Notwithstanding this, the pace of industrialisation is slow, protection given to our industries is half-hearted, and the interests of national industries are generally given a go-by when they come into conflict with the interests of British industries. This is not a new thing which I am saying, but records of the Debates of the Central Legislature and of Tariff Board reports, not to mention anything else, are a sufficient indication as to how Government industrial policy is being shaped and moulded. To my mind, the Provinces now have to bear a greater burden with regard to the development of industries and the different Provincial Governments, whoever they may be, after the 1st April this year, should make it their chief business to look to a question which, if I may say so, has been neglected the most. Upon the right solution of this question will depend the eradication of poverty and unemployment, two of our biggest problems of the present day. The question of poverty of this land has been so much discussed, both by our people and by outsiders, that it has come to be almost recognised as a symbol of this country. India has been, oft and on, represented in the Press by a tiger, or an elephant, or temples and moving pageants; but the symbol which should be deemed the most characteristic is the figures, we sometimes find, of peasant men and women dressed in rags, living in slums, under-fed and under-nourished.

The problem of India's poverty means poverty of agricultural classes, to which is now added the tremendous problem of unemployment prevailing more or less among the middle and industrial classes. A proper and systematic development of industries in consonance with our national requirements may lead to a solution of these problems. There is also a supplementary solution, if I may so call it, to our chronic poverty, given by Mahatma Gandhi. Since 1921, he began to speak of *Khaddar*, which might serve as a subsidiary occupation of the agriculturists. After these 15 years, he has emphasised that not only *Khaddar* but the development of all the rural industries should prove a key to our much-discussed problem. The rural part of the problem has been more or less neglected, and even Government, apparently, had to wait till a Mahatma stressed the importance of rural industries. The programme which has been chalked out for the rural industries does not in any way conflict with the programme of industrialisation which has been more or less adopted by the country. Both are parts of the same problem and are supplementary to each other and not contradictory. The problem of rural finance has been an acute one, and the instrumentality of co-operative credit has been used to cope with it. Unfortunately, the indebtednes is so vast,—some people have put it down at not less than Rs. 1,000 crores,—that co-operative finance is not able to deal with it single-handed. The development of rural industries and along with this, that of villages to an extent as has never been done before, may perhaps solve a problem which has evaded solution upto now. Agricultural Chambers are a pretty well-known thing in Europe and America, and it may well be considered if such Chambers in different villages may not be made as the focussing centres for all our agricultural activities.

Trade Negotiations.

The President has referred to two very important trade negotiations going on, viz. the Indo-British and the Indo-Japanese trade negotiations. Your new Committee will

have to deal with the issues arising from these. I consider such trade negotiations as of a vitally important nature. With regard to both these trade negotiations, the principle should be that these should be carried on as between equals and there should be no show of force or influence or pressure. With regard to the last Indo-Japanese negotiations, the non-official advisers were at the Headquarters of Government and could be called upon to give their advice whenever necessary. This time however the advisers were invited in the first instance and they submitted a unanimous report; and since then only the representatives of both the Governments have been carrying on the work. While I recognise that ultimately it is the official representatives of the Governments who should sign the agreements, we cannot forget that in this country Government is not amenable to popular control. It is all the greater reason, therefore, why Government should always have the co-operation and assistance of non-official advisers. With regard to the Indo-British trade negotiations, consultations have taken place already between Government and the non-official advisers. We have not yet before us the reports presented by non-official advisers both with regard to the Indo-Japanese and the Indo-British trade negotiations. I am quite sure, however, looking to the personnel of the non-official representation, that the vital interests of the country would always be kept in view. British manufacturers are becoming insistent in their demands on getting greater and greater preference from India with regard to import duties. India should see that Great Britain takes up a share of our exports in sufficiently large and tempting proportions and at the same time agrees to a quota being fixed for her imports into this country. Imports from Great Britain were always much larger than our exports thereto. During 1933-34, both of them were almost the same, but again in 1934-35 and 1935-36, imports were more than our exports. This despite the fact that we have to pay for invisible imports like Services, Freight, Insurance, Interests, etc. all of which amount to between Rs. 30 and 40 Crores, which has always been denounced as the economic

drain from this country. The position, therefore, should be that our exports to Great Britain should be much larger than our imports therefrom. I hope that this will be borne in mind whenever we enter into any final agreement with Great Britain. These agreements must be viewed from this angle that they cannot be considered by themselves. Each such agreement is bound to affect our relations with other countries also. Government should also deem the advisability of considering how trade negotiations with countries other than Great Britain and Japan may be started. Steps taken by some of the Continental countries against India have put her at a great disadvantage, and it may be worth considering what steps to take to meet this situation, both in the interests of our self-respect and in the interests of our trade.

Speech of Mr. Gordhandas G. Morarji, the incoming Vice-President of the Indian Merchants' Chamber, at the Annual General meeting of the Chamber on 26th January 1937

Mr. President & Fellow-Members,

I have to thank you all for conferring on me the honour of the Vice-Presidentship of the Chamber by your unanimous election.

After the very comprehensive addresses of the outgoing President, who reviewed the principal events in his regime, and the incoming President who has given us a peep into the future by his reference to questions that are likely to engage the attention of the Committee during the current year, there is not much left for the incoming Vice-President to say. I should like, however, with your permission, to refer to some questions which, in addition to the questions mentioned by the incoming President, are likely to occupy the attention of the business world.

One of these will be the report of the Railway Enquiry Committee. This Committee was appointed last year and the protest of your Committee with regard to its personnel is now a matter of past history. A valuable memorandum was submitted by your Committee to the Railway Enquiry Committee and it remains to be seen how far the latter will respond to the various important suggestions conveyed in our memorandum. The main points with which obviously the Enquiry Committee are concerned are the financial condition of the Railways and the methods to be adopted both for retrenchment of expenditure and for increase in the revenues. With regard to the sources of revenue, the outlook must not be narrow and short-visioned. Instead of following the policy of higher rates and fares and no concessions, Railways should follow the policy of cheaper rates and fares and also reasonable amenities to attract both passenger and goods traffic. The capital programme also has to be laid down with reasonable consideration for the economic conditions of the country and the mistakes made in the past like the construction of the Kalyan Power House or provision of luxurious station buildings like those seen at Bombay Central Station, Nagpur and other places will not be repeated. Railways are carrying on propaganda in Europe and America for getting more traffic and are spending about Rs. 60 lakhs on it. They may well think of a propaganda nearer home for attracting more traffic. It is likely that the report of the Railway Enquiry Committee will be published at no distant date, and it is to be hoped that the Report will take into consideration all the cogent suggestions placed before them by Indian representative bodies.

Railways are the greatest asset of this country and much depends upon the Report of the Railway Enquiry Committee as to how the administration of the Railways has to be conducted. A Statutory Railway Authority will be set up along with the Federation, and it is essential that changes in the administration and procedure of the Railways should be introduced on popular and healthy

lines before such a Body is set up. The result of this Enquiry is thus awaited with expectations not unmixed with anxiety, as it will affect not only our trade and industries but also Provincial finance and legislatures.

The Indian commercial community has always insisted on State Management of Railways and the principle was accepted by the Acworth Committee and by Government. Following this, the E.I., G.I.P., N.W., E.B. and the Burma Railways were taken over by the State. The contracts with the M. & S. M. and the B.N.W. Railways expire this year and notice should have been given by Government to those Railways to terminate the contracts as and when they expire. Not only was this unfortunately not done, but the agreement has been renewed for further terms.

This has created naturally anxiety in our minds, lest Government under some reason or other, choose to forego the policy of aquiring the Railways when their contracts expire. We do not want that the ante-diluvian and re-actionary policy of Company Management of Railways should be allowed to continue, as it would be a great handicap in the way of the progress of the Railways. Even though neither the present constitution nor the constitution that is going to be inaugurated with regard to the Federal structure sometime after, provides for a complete and unfettered power of the Legislatures, the working of the State-Managed Railways during the last few years, since it was inaugurated, has shown how the Legislature has been able to make its influence felt and that the State-Managed Railways are much less able, than the Company Managed ones, to flout the authority and wishes of the Legislature.

The out-going President has referred to the Indo-British talks for a new Trade Treaty to replace the Ottawa Agreement. It is said that the course of true love never runs smoothly. Here it is not the course of true love, but of trade love, if we so call it, and it does not appear to run smoothly. The official advisers for India have presented

unanimous reports on both occasions they met, in Simla and Delhi, and from the way in which the negotiations are at a standstill, my apprehension is that the British Government, inspired naturally by the British commercial community, has put forward proposals to which Indian advisers can never subscribe. The December issue of the Monthly Record of the Manchester Chamber of Commerce mentions in this connection the interesting fact that Sir Firozekhan Noon, the High Commissioner for India in London, paid a visit to Manchester and was the guest of honour of the Lancashire Indian Cotton Committee at Lunch. At that lunch the guests were informed "of some of the difficulties with which that Committee found itself faced at the present time through the trend of events in connection with trade relations between India and this country". The High Commissioner, in his postprandial speech observed that the purchases of Indian raw cotton by Lancashire as reflected by the latest statistics of imports were "very gratifying". He complimented that Committee on their admirable work and hoped that the favourable conditions which had been created in Lancashire for Indian cotton would not be dissipated in any way and that by the conclusion of a new Trade Agreement between the two countries they would be further improved in the future. With regard to these remarks, looking to the views of some of our cotton merchants have expressed from time to time, figures of cotton imports into Lancashire from India cannot be deemed to be 'gratifying' when compared with the quota which Japan is bound to accept for the imports of cotton. It may also be open to question if, while the talks for a trade agreement are going on here and are at a standstill due apparently to some difficulties or other between Indian and British viewpoints, a leading Officer of the Government of India like the High Commissioner should indulge in views regarding the new trade agreement in the way in which he has done. It is also instructive to read later on in the speech of the High Commissioner that apart from his interest in this matter in his official capacity he was very enthusiastic

about the work as his personal interest in India was substantially concerned with the growing of raw cotton.

Before concluding I should like to say a few words about Indian shipping which forms one of our important transport and industrial problems. Indian shipping has no position whatsoever in the overseas trade of India and while the Government of India, in spite of their repeated assurances, have not taken a single step to assist Indian shipping in securing an entrance in the overseas trade of this country, it is amazing that the British shipowners like Lord Essendon and Mr. Shaw should demand that the trade negotiations between India and Japan should be used not for the benefit of Indian shipping but should be exploited for the benefit of the Empire shipping which really means British shipping in this case. The necessity for utilising the bargaining and the purchasing power of a nation for strengthening its shipping industry not only as a matter of profits to individuals but as a source of strength, economic and defensive, for the nation is more and more recognised in important maritime countries. It is, therefore, imperative that the bargaining power of India should be utilised by the Government of India for furthering the cause of Indian shipping and not for strengthening the domineering hold of British shipping over India at the cost of its economic and shipping interests.

It is all very well for the British shipowners like Mr. Shaw to boast of the so-called services which they have rendered to India, but it is common knowledge how space for cargo was often denied to Indian shippers and how the anti-Indian policy of British shipowners have sacrificed India's yarn trade with China to suit their own selfish interests and how this very mighty P. & O. Company enjoying a very large patronage both from the people and the Government of India have systematically refused to employ a single cadet of the "Dufferin" as an officer on their steamers. I cannot do better than quote the following remarks from a pamphlet issued by Messrs. Tata & Sons to illustrate how it has been the policy of the P. & O. and the group which it controls to sacrifice Indian national interests:

> "This is not the first time that the P. & O. Company has reduced its rates of freight, only to put them up again at the first convenient opportunity. Whenever a rival has appeared, and they have appeared before our time, the first most effectual means at the Company's disposal, to buy it off or to force it either to continue working at a loss or to retire from the contest, has been to reduce the ruling rates of freight to an un-remunerative and even ruinous level; and the object aimed at having been once attained, to again raise them as high as before or higher by way of punishing temporary deserters to the rival line".

These words written years before are as true today as they were in the past.

Mr. Shaw attempts to justify the claims of British shipping to exploit the trade negotiations of India for strengthening its hold in the Far Eastern trades on the ground that Indian owned ships were not engaged in those trades in return for "valuable concessions" made to them "in other directions" meaning thereby the coastal trade of India. When it has been recognised by all the important maritime countries of the world that the coastal trade of a country is the preserve of national shipping as a matter of right and when even the Government of India are "particularly anxious to facilitate the growth and the expansion of coastal trade of India in so far as that coastal trade is operated by Indian agencies and through the instrumentality of Indian capital", it is astounding that Mr. Shaw should talk of the so-called "valuable concessions" to Indian shipping in the coastal trade and ask India to be satisfied with the domineering hold of British shipping in the eastern trades because the British ships were based on India and because those ships spent great sums of money in paying wages to Indian subjects and in buying Indian stores and Indian coal! Mr. Shaw will have to realise that what India needs and what India demands both as a matter of right and for the development of her national interests is that the direction, owner-

ship, management and control of its shipping shall be in the hands of its own nationals—whether it is in the coastal trade or in the overseas trade of India—and you will all agree with me that it is the duty of the Government of India not to yield to the interested cry of British ship-owners that the Empire shipping is in danger and not to take any steps which may retard directly or indirectly the development of national shipping actually owned, controlled and managed in the contemptuous phrase of Mr. Shaw "by native-born Indians".

In a general discussion that ensued the following members participated :

Mr. L. R. Tairsee
,, K. S. Ramachandra Iyer
,, Jamnadas H. Sanghvi
,, Sarabhai Prataprai
,, Shah Shamji Vallabhji

The report and the audited statement of accounts were received.

The declaration of the result of the election of the office-bearers for the year 1937 was recorded.

Mr. Dhirajlal C. Modi proposed that Messrs. Devidas Vithaldas & Co. be appointed auditors for the year 1937 and that their remuneration for the same be fixed at Rs. 100.

The same was seconded by Mr. Vithaldas G. Govindji and on being put to the vote was carried unanimously.

Dr. M. Venkatrao then proposed a vote of thanks to the Chairman of the meeting which was duly seconded by Mr. K. S. Ramachandra Iyer.

The resolution was passed unanimously with acclamation.

Mr. Keshavprasad C. Desai moved a proposal to thank Mr. A. D. Shroff, the retiring Vice-President for the work and trouble he had taken in connection with the Chamber during the last year.

The same was seconded by Mr. Purshotamdas Popatlal.

On being put to the vote, it was carried unanimously.

The meeting then terminated.

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REPORT OF THE COMMITTEE

OF

THE INDIAN MERCHANTS' CHAMBER

For the year 1936 presented to the Annual General Meeting of the Chamber held on 26th January 1937.

Your Committee have pleasure in presenting the 29th Annual Report of your Chamber. During the course of the year 53 Committee Meetings were held, the work done being of a varied and important nature.

The principal subjects dealt with by your Committee related to the following main heads :—

(1) Transport and Communications, (2) Finance, Tariff and Taxation, (3) Trade, Industrial and Labour Legislation, (4) General Trade and Industry and (5) General.

I. TRANSPORT AND COMMUNICATIONS.

Chairmanship of the Governing Body of the I. M. M. T. S. "Dufferin".

The Committee addressed the Government of India, Commerce Department, on 7th August 1936 pointing out that their attention had been drawn to the recent change in the procedure effected by the Government of India with regard to the Chairmanship of the Governing Body of the I. M. M. T. S. "Dufferin." The Flag Officer Commanding, Royal Indian Navy, had been the Chairman of the Governing Body ever since its formation. Government, however, had now decided that the Chairmanship of the Training Ship in future would be undertaken by the Hon'ble the Commerce Member. The Committee observed that they had no objection to this change.

The radical departure, however, in the procedure was that in the absence of the Flag Officer Commanding, Royal Indian Navy, as Chairman of the Governing Body, it was the right of the members of the Governing Body present at the meeting to elect the Chairman forr the meeting from amongst themselves. Under the new arangement the members of the Governing Body had been deprived of this right and it had been left to the Commerce Member to depute an officer of the Commerce Dept, to preside as Chairman of the Governing Body in his absence. The principle recognised upto now was that the Governing Body knew who their Chairman was and if he was maent they were competent to elect the Chairman from aobngsts themselves. In future they would not know who would preside over their deliberations. The Committee considered this as unfair to the members of the Governing Body and requested Government not to make any departure in the existing procedure.

Employment of Qualified Cadets of the I. M. M. T. S. "Dufferin".

It will be recalled that the committee addressed the Government of India in December 1936 on the subject of uncertainty of employment of duly qualified Cadets of the I. M. M. T. S. "Dufferin" as officers. The Committee again addressed the Government of India on 17th September on the matter. The Committee in the first place pointed out that the attitude of the British shipping companies was opposed to the declared policy of Government in regard to employment of the "Dufferin" Cadets as officers by various shipping companies, including the British shipping companies. They also reminded Government of the announcement made by the Hon' ble Sir Frank Noyce in the Legislative Assembly on 29th March 1935 that if necessity arose Government would consider the suggestion of attaching conditions as regards the training and employment of Indians as apprentices and officers on board the steamers of companies that were given annual postal subsidies. During the last session of the Assembly and the Council of State Government had promised more than once to enquire carefully into the question of imposing an obligation to employ "Dufferin" Cadets as officers on board the steamers of companies receiving such subsidies from the Government of India for the carriage of mails.

In view of all this, the Committee urged upon the Government of India the necessity of taking early steps in consonance with these promises, particularly as the contracts for the carriage of mails on the Indian Coast would expire in March 1937. The Committee took a serious view of the question and were definitely of the opinion that unless effective and immediate steps were taken to restore the confidence in the minds of the public that "Dufferin" Cadets when duly qualified would have fair and reasonable chances of employment, the object with which the Training Ship had been started would be defeated and an Indian personnel for a sea career would not come into existence.

Governing Body of I. M. M. T. S. "Dufferin".

The term of office of the representative of the Chamber on the Governing Body of the I. M. M. T. S. "Dufferin" having expired, the Committee re-nominated Mr. M. A. Master for a further term of two years ending April 1938.

Report & Record of the Preparatory Maritime Meeting held at Geneva in November—December 1935.

The views of the Committee were invited by the Principal Officer, Mercantile Marine Department, Bombay District, on the proposals contained in the above Report before the International Labour Conference regarding (1) Manning and Hours of Work, and (2) Holidays with pay to seamen.

The Committee in expressing their views on the proposals, observed that Indian shipping had all these years been the victim, both at home and abroad of unfair international competition. If the proposals under reference were accepted, it would not eliminate this competition, specially from highly, developed and subsidised shipping of the world, and the object therefore of the International Labour Conference of eliminating international competition would not be achieved. On these broad grounds, the Committee were opposed to include the above questions of manning and hours of work and holiday with pay to seamen and allied questions in an International Convention. The Committee were of opinion that such questions were not suitable for treatment internationally, but if any advance had to be made in these directions, it should be made by legislation or mutual national agreement at home.

Proposed revision of the Draft Convention fixing Minimum age for children to Employment at Sea.

The Shipping Master, Bombay, informed the Committee that the International Labour Office proposed to

place upon the Agenda of the International Labour Conference the question of revision of the minimum age for admission of children to employment at sea and raising it from 14 to 15 years, among other minimum age Conventions, and he invited the views of the Committee on the effects of the proposed change.

The Committee in reply informed the Shipping Master that they had no objection if the age was raised, provided exceptions were agreed to in the following cases.

(*a*) in a schoolship, or training ship, in accordance with the prescribed conditions;

(*b*) in a ship in which all persons employed are members of one family;

(*c*) in a home-trade ship of a burden not exceeding three hundred tons;

(*d*) where such young person is to be employed on nominal wages and will be in charge of his father or other adult near male relative;

(*e*) apprentice going to sea; or

(*f*) boys who are employed at sea in very light work such as that of carrying messages in the Purser's or wireless department, etc.

As regards the practical effects of the proposed change, the Committee observed that as far as their information went, very few boys, if any, were signed on as deck-hands at Indian Ports. They were therefore inclined to think that the raising of the minimum age from 14 to 15 years, with the above exceptions, was not likely to entail any serious hardship on ships registered in India.

Plight of Passengers on board S. S. "Vita".

The attention of the Committee having been drawn to the plight of passengers on board the S. S. "Vita" when she sailed from Bombay on the 18th April 1936, and

the Resolutions passed by a public meeting of the people of Cutch residing in Bombay protesting against the same.

The Committee thereupon addressed the General Manager of the B. I. S. N. Co. asking him to enlighten the Committee as to what actually happened on the day in question, and whether the complaints of a large section of the passengers were justified. If these complaints or some of them, were justified and based on facts, the Committee asked the Steamship Company to let them know what steps were being taken to redress the same and asked them to see that no such further incidents occurred in future.

In reply the Company gave a resume of the incidents which occurred at the time of embarkation of passengers by the s. s. "Vita" on the 18th April 1936. In all 756 passengers were booked of whom 20 adults and 3 minors failed to get on board the steamer and their passage money and baggage charges were refunded. The Company pointed out that the quantities of baggage brought down for shipment were in excess of anything experienced before, which was the principal contributing factor to the congestion which ensued and which was the primary cause of the trouble. They further observed that all the Kutch-Mandvi passengers numbering 587, with their baggages, were disembarked into boats at Kutch-Mandvi in 1½ hours. Although the "Vita" was measured to carry 1317 passengers and only about 750 embarked, there was considerable congestion on board due to the excess number of packages accompanying passengers and the only complaint received by the ship's staff, who made enquiries as best they could in the circumstances, was that the decks were encumbered with goods. The B. I. S. N. Co. authorities were always anxious to maintain good relations with their clients. Although they had from the outset expressed their willingness to investigate any evidence submitted to them in support of the allegations made against members of their staff no such evidence had been submitted to them so far. The Committee forwarded copies of the Company's letter to the Katchi Prajakiya Parishad and the Passengers' Traffic Relief Association for information.

Revision of Rules under the Indian Ports Act, 1908.

The views of the Committee were invited by the Government of Bombay by their letter dated 15th June 1936, on the draft rules under the Indian Ports Act, 1908 for the control of the spread of infection of dangerous, infectious and contagious diseases by vessels arriving at, or being in, or departing from Indian ports, and the disposal of dead bodies on such vessels. The old rules which were framed in 1917 had in various respects gone out of date and required to be revised in view of the spread of various infectious diseases mentioned above and for a stricter control and surveillance of passengers likely to be affected or suspected to have been affected by those diseases. The revised rules were drafted to meet the modern conditions. The Committee after consulting the shipping interest concerned informed the Government of Bombay on 15th July 1936 that they had no observations to make on the proposal to revise the said rules.

Amendment to the Indian Pilgrim Ships Rules, 1933.

The views of the Committee were invited by the Government of Bombay by their letter dated the 2nd November on the proposed amendment to Rule No. 143 of the Indian Pilgrim Ships Rules, 1933. The amendment related to the procedure regarding the refund of passage money. The Committee in reply informed Government that they had no objection to the proposed amendment.

Port Trust demurrage charges for goods not cleared in time on account of the riots in the City.

The Committee were requested by a member to approach the Bombay Port Trust to allow the merchants some more days for clearing their goods under clearance on account of the prevailing riots in the City. The matter was immediately taken up with the Port Trust through one of the Chamber's representatives on that Body. In reply, the Port Trust authorites sent their Notification dated 19th

October stating that they had decided that Friday, the 16th October and all succeeding days upto a date to be notified later on were to be considered "dies non" for purposes of collecting extra fees. Later on the Port Trust authorities notified that on and from 23rd October the concession of "dies non" would be cancelled.

Restoration of the remaining 5 per cent cut in Salaries of the Port Trust Servants.

Mr. L. R. Tairsee, M. L. C., one of the Chamber's representatives on Board of the Bombay Port Trust, drew the attention of the Committee to the proposal before the Board of Trustees to restore the remaining 5 per cent. cut in the salaries of the Bombay Port Trust staff. The Committee thereupon requested their representatives on the Board of the Port Trust to oppose strongly the proposal on the ground that the financial condition of the Bombay Port Trust was not satisfactory and the trade of Bombay continued in the same depresssd condition as before. Subsequently the Committee were informed that the Port Trust had decided not to restore the cut.

Rules re : mosquito control, in the Bombay Docks under the Indian Ports Act.

The views of the Committe were invited by the Government of Bombay re: introduction of rules for the control of mosquito nuisance in the Bombay Docks under Section 7 of the Indian Ports Act, 1908.

The Committee in reply informed Government on 2nd September that they had no objection to the proposed rules.

The Railway Finances Enquiry.

The Committee sent a telegram on 22nd October to the Government of India in regard to the recent appointmetn of the Railway Finance Enquiry Committee. They observed that they, along with other commercial bodies, had pressed

for such an enquiry, suggesting that Indian businessmen should be associated with it. The Committee emphasised that the exclusion of Indian businessmen from the Committee of Enquiry would be merely tinkering with the subject.

In continuation of the telegram the Committee sent a detailed representation on the 5th November pointing out how the personnel of the Railway Enquiry Committee would not inspire confidence among the public. It would be natural if the Indian commercial community who were often criticised for being suspicious of British intentions, had keenly felt the distrust and suspicion of Indians shown with regard to the appointment of the Railway Enquiry Committee and that their interests would inevitably be subordinated in the absence of their view-points being pressed in the examination of different problems.

After this representation was despatched the Committee received a letter from the Government of India, Railway Department, dated the 3rd November in reply to the telegram sent by the Committee on the 22nd October informing the Committee that Government were convinced of the need of appointing to this Committee (Railway Enquiry Committee) acknowledged railway experts and deliberately selected these from the other parts of the Empire to ensure that the conduct of the enquiry should, as far as possible, be free from any tendentious character.

In reply to this letter the Committee addressed another letter to Government on the 12th November expressing their regret that Government appointed a Committee which was unsatisfactory from all points of view. Government appeared to have been anxious to avoid appointing Indians as they were likely to show "tendencies" which would mean tendencies towards maintaining the Indian view point. Government had, apparently no objection to appointing Railway experts from Great Britain who might show tendencies other than those leaning towards the Indian view point, for this "tendentiousness" was not a characteristic only of Indians, but of the whole humanity.

The Committee in conclusion referred to the assurance given by Government that full opportunities would be accorded to the Committee for expressing their views and observed that the Indian commercial community must feel thankful for even this recognition and only trusted that Sir Ralph Wedgwood and his Committee might not defeat the deliberate object of their selection through any "tendentious character" of the views of the Committee of the Chamber.

Subsequently on an invitation from the Railway Enquiry Committee, the Committee of the Chamber submitted a memorandum containing their views on Railway Finances. The memorandum, after sketching the historical background, dealt with the need for thoroughly rehabilitising Railway Finances with a view to make the railways a national asset of lasting utility. The more important of the suggestions outlined in the memorandum were that the principle of State management of Railways should be completely accepted and given effect to, that freights and rates policy in regard to railways ought to be coordinated with the general economic policy of the country, that greater attention should be paid to passenger traffic by providing for greater amenities for the lower class passengers, that retrenchment and reorganisation in administrative expenditure should be pursued with a grim determination, that a definite programme of Indianisation of the superior services should be adopted, that Indian businessmen should be associated at the top in the management of railways, that steps for coordinating road and rail service at the same time taking steps which would not completely eliminate the latter essential, were that the possibilities of grouping and amalgamation of the various units should be examined, and that Railway policy should be so formulated as to subserve the general national economic interests of the country.

Mr. A. D. Shroff, Vice-President, and Mr. R. P. Masani accompanied by the Secretary were also orally examined by the Railway Enquiry Committee on 11th December 1936, when points arising out of the Chamber's memorandum were discussed at great length.

Bill to Amend the Indian Railways Act to Check Ticketless Travelling.

The views of the Committee were invited by the Government of Bombay by letter dated 9th June 1936 on the Bill introduced in the Central Legislature by the Government of India to further amend the Indian Railways Act, 1890. The two major amendments sought to be introduced by the bill were:

(1) provision for penalising ticketless travelling by infliction of a sentence of imprisonment which may extend to two months;

and

(2) onus thrown upon the ticketless traveller to prove that he had no intention to defraud the Railway.

The Committee in forwarding their views to Government on 9th July 1936, observed that there was general agreement that the abuse of travelling without ticket was one which called for serious attention and that in checking the evil the Railways should have public co-operation and should be armed with sufficient powers to check such travelling. They however felt that these extraordinary powers sought to be conferred on railways might in actual practice work harshly on passengers who did not really want to defraud the railways. They were therefore of opinion that it was advisable to provide that if a passenger informed the railway staff either at the starting station before he got into the train or at the next halting station that he had no time to purchase the ticket and was travelling without ticket and tendered the fare due to the railway, he should not be brought within the clutches of the new Act. The Committee, at the same time, drew the attention of Government to the laxity shown by the various Railway Administrations themselves in checking the evil of ticketless travelling, and suggested that the Railway Administrations should be asked to institute stricter and more rigid control, so that no member of the public could

get any opportunity of getting on to the platforms or into the trains without purchasing tickets. In conclusion, the Committee hoped that the provisions of the Act would be worked sympathetically and not harshly, bearing in mind that the new Act would be still an experiment and the main objective was to warn people against travelling without tickets and not to penalise them.

Interview with Sir Guthrie Russell, Chief Commissioner and Mr. P. R. Rau, Financial Commissioner of Railways.

The Committee had an interview with Sir Guthrie Russell and Mr. P. R. Rau, the Chief and Financial Commissioners of Railways on Friday, 7th August 1936 when the following points were discussed:

1. Statutory Federal Railway Authority.
2. Enquiry into Railway Finances.
3. Enhancement of Freight Rates.
4. Road-Rail Competition.
5. Railway Act Amendment to Check Ticketless Travelling.
6. Concessions to Demonstrators, Associations and Parties taking part in Fairs and Exhibitions in the Country.
7. Roofs Over Bridges and Platforms.

The proceedings of the interview were published in the press.

Reduction in Railway freight rates for Foodstuffs and Fodder to the Famine-stricken Areas in the Bombay Presidency.

The Committee addressed the G. I. P. and the B. B. & C. I. Railway authorities on 12th September requesting them to reduce the railway freight charges for foodstuffs and fodder in view of the famine conditions prevailing in some of the districts through which their railways were passing. The Committee in reply were informed by both the Rail-

ways on 17th Sept. that during periods of fodder scarcity railways usually granted concession rates for carriage of fodder or forage. In accordance with advices received from the Government of Bombay the famine concession rates were granted for fodder from stations on the G. I. P. and the B. B. & C. I. Railways on consignments ordered by the Collectors of the Districts concerned or consigned to them.

With regard to reduction in freight rates for foodstuffs, the Railways regretted that they could not be given.

The whole correspondence on the subject was publish ed in the Press.

Concession in railway freight for dry cattle.

The Committee addressed the Railway Board on the 24th October, in connection with concession in Railway freight for transportation of dry cattle over the various Indian railways. They pointed out to the Railway Board that the number of cattle imported into the city of Bombay annually was betwen 35,000, to 40,000. The young calves which accompanied the milch cattle were however not maintained by the stable keepers for reasons of space as well as economy and were practically killed on account of mal-nutrition within a few days of their arrival. This meant a loss of about 20,000 calves every year which was not an inconsiderable loss to the cattle wealth of the country. The milch cattle which had come to Bombay become dry after 7 or 8 months and the stable keepers finding it not paying to send them back to forests or up-country on account of the heavy railway freight charges, sold these cattle to butchers for a trifling amount. In this way it was estimated that about 20,000 cattle were slaughtered in Bombay alone, which could not be a small drain on the agricultural wealth of the country. The committee, therefore, suggested to the Railway Board to issue instructions to all the Railway Administrations in the country that they should lower the freight for dry cattle over their lines. As a matter of fact, in response to the demands from the Bombay Humanitarian League, the B. B. & C. I. Railway

reduced their freight for dry cattle by 25 per cent but that was only for four months in 1935 and four months during this year. Even this small reduction for a temporary period resulted in an increase in the transport of cattle to the extent of 23 per cent. The Committee felt that the main problem could not be solved by such measures and in their opinion the railways must come out with a liberal reduction in their freight charges for dry cattle by 75 per cent. His Excellency the Viceroy had recently been devoting a good deal of his attention to the question of improving the breed of cattle in India. The suggestion put forward by the Committee was in the same direction and they hoped that under the circumstances the Railway Board would be pleased to reduce the freight by 75 per cent for transportation of dry cattle, as also reduce the freight of the milch cattle when they returned from upcountry with their calves. In reply the Railway Board informed the Committee by their letter dated the 11th November 1936 that in 1929 they decided to reduce the rates then generally applicable by 20% in order to facilitate movement of cattle. Since then, the rate for cattle consigned by goods train from a station on a broad guage line had been four annas per 4 wheeled vehicle per mile. For no other traffic of corresponding value was a rate quoted which gave so low a return as four annas a mile and there was therefore little, if any, scope for a reduction in the rate. In the circumstance, the Railway Board regretted their inability to accept the Committee's suggestion for a general reduction in the freight rates for dry cattle.

The Railway Board, however, added that a copy of the Committee's letter had been forwarded to the B. B. & C. I. and G.I.P. Railways for such action as they might consider desirable in regard to movements to and from Bombay to which special reference had been made by the Committee.

Proposed Increase in the Railway Freight on C. P. Coal over the G. I. P. Railway.

The attention of the Committee was drawn by a member to the proposal of the Railway Board to once

again increase the railway freight on C. P. Coal over the G. I. P. Railway. The Committee thereupon addressed the Railway Board on 20th November 1936 strongly protesting against such a proposal and pointed out that when an increase in freight on C. P. Coal was made in 1934, the Committee had recorded their protest against the same because such an increase would adversely affect the textile industry using the C. P. Coal as well as C. P. Collieries.

The Committee were surprised therefore to find that the Railway Board had again come forward with a proposal to increase the freight on the C. P. Coal over the G. I. P. Railway. It was deplorable that at a time when if anything, some relief was needed in railway freights on coal over the railways, the Railway Board had thought it proper to propose to increase railway freight on C. P. Coal. Under the circumstances, the Committee requested the Railway Board not to proceed with their proposal in the interests of the textile industry using the C. P. Coal and the C. P. Collieries.

Proposal before the Indian Railway Conference Association for enhancing the classification for a number of articles for freight purposes.

The views of the Committee were invited by the Indian Railway Conference Association by their communication dated 7th May 1936 on a proposal before them to increase the class rates of a number of articles.

The Committee in expressing their views on 16th June 1936 stated that they were surprised to read the list of articles the classifications for which were proposed to be enhanced. The list covered more than 200 articles, and percentages of increase varied from 7 to 48 per cent., and in one case to 79 per cent. The articles given in the list affected practically almost all the industries, as also agriculture. In view of the solicitude so often expressed by Government for the improvement and development of agriculture, the Committee expected that the Railway Companies would pursue a policy calculated to prove beneficial to the agriculturists. Instead, they found that

agricultural products were going to have their freights increased, as also materials necessary for agriculture. Then there were a number of articles, the rates for which were now proposed to be increased. This would adversely affect small industries which were producing those articles in the country. The Committee further observed that the effect of all these proposed increases would be to inflict a serious blow to the development and organisation of industries and the improvement and development of agriculture. The Committee realised and appreciated that the Railways were after all the assets of the nation and under ordinary circumstances they had tried to do what they could to see that they were not put to any serious loss and hampered in their working. If the situation were however going to develop on the lines of the proposals under reference, the Committee would have to sympathise with the competition which might be started against the railways either by motor buses or motor trucks as, surely, the industries and agriculture could not be allowed, in these days, to go to ruin because the railways were not able to make both ends meet.

Proposed enhancement in the classification of certain commodities on the G. I. P. and the B. B. & C. I. Railways.

The views of the Committee were invited by the G. I. P. and the B. B. & C. I. Railways on their proposal to enhance freights on over 200 commodities, by their joint letter dated the 2nd December 1936.

The Committee after carefully going through the list of articles felt that these commodities were mostly of daily use and were of agricultural and manufactured products. If the proposal to increase the class rates was given effect to, it would adversely affect the common people, the agriculturists and the industrialists. The Committee were convinced that the present state of trade, commerce and industry did not permit, under any circumstance, of increases in freights and rates.

The Committee conveyed to the Railways their opposition to the proposal to enhance the class-rates under reference.

Proposed enhancements in rates for piecegoods, press packed, sugar, tobacco manufactured, unmanufactured and Kerosene oil over the G. I. P. Railway.

The G. I. P. Railway authorities by their letter dated the 6th November informed the Committee that the Railway Board had recently sanctioned the enhancement in the maximum class rates chargeable for

1. Piecegoods, press packed ;
2. Sugar ;
3. Tobacco, manufactured and unmanufactured ;
4. Kerosene oil.

The increases in percentages on the existing rate worked out as follows :

	Percentage increase.	Additional charge per Md. per 100 miles in pies.
Piecegoods	.. 8	5
Sugar	.. 9	4
Tobacco manufactured	.. 8	5
,, unmanufactured	.. 8	5
Kerosene oil	.. 9	4

The G. I. P. Railway in explaining the reasons why these increases were sanctioned observed that the present financial condition of the Indian Railways was a matter of concern and railways were endeavouring to improve their position. The Railway further observed that it had been felt for some years that an increase in rates of these articles was justifiable and necessary. The Committee after carefully considering the proposals to enhance the class rates wrote to the G. I. P. Railway on the 18th December 1936 that they did not agree with the contention of the G. I. P. Railway that the increases were either justifiable or necessary. The Committee pointed out that the policy recently adopted by the various Railway administrations in India to increase freight rates was stoutly opposed by the commercial community in India. The G. I. P. Rail-

way could not be unaware of the fact that the prices of the articles under reference for which freight rates were proposed to be enhanced had registered consistent fall during the last few years. In such a depressed time it was really surprising that the Railway Board should have thought it proper to sanction any increase in the class freight rates for these articles. The Committee felt convinced that if anything was necessary, substantial relief by reduction in railway freight was needed at the present juncture. Under the circumstances they were strongly opposed to any proposal of increasing the class freight rates on the articles under reference.

Classification of goods for purposes of Railway freight.

The views of the Committee were invited by the Indian Railway Conference Association on the following references re : classification etc.

(1) Compressed Oxygen.
(2) Tea and Tea Waste.
(3) Parafin Wax.
(4) Hats, sola.
(5) Jute webbings and Hassian canvas.
(6) Sodium Phosphate.
(7) Musk Dana.

With regard to item (1), the proposal before the Railway Conference Association was that as the existing classification of this article at 10 R. R. and 9 O. R. was high the same should be reduced to 8 R. R. and 6 O. R. on the ground that Compressed Oxygen was neither a combustible nor an asphyxiating gas and should be placed on the same level as Compressed Ammonia or Chlorine.

The Committee informed the Railway Conference Association that they welcomed the proposal.

With regard to item (2), the proposal was that instead of "Tea" the words "Tea in Chests" and instead

of "tea waste" the words "Tea in bags" be substituted in the classification in order to check the increased consumption of tea waste, in the interests of tea planting industry. The Committee in reply informed the Association that they had no views to offer thereon.

With regard to item (3), the proposal was that as there was no separate classification for the article at present, it should be classified under Wax, refined at 6 R.R. and Wax unrefined at 4 R. R. Here also the Committee offered no remarks.

With regard to item (4), it was proposed to delete the condition S/14, according to which charges were made on measurement or on actual weight whichever gave higher charge. As the proposal was in the interests of the trade, the Committee welcomed the same.

With regard to item (5), the proposal was that as these articles were not provided for in the General Classification of Goods they should be classified at 4 R. R. The Committee had no views to offer on the same.

With regard to item (6), Sodium Phosphates, which were at present classified as Chemical, N. O. C. at 8 R. R. were proposed to be classified at 3 R. R. and 2 O. R. The Committee informed the Railway Conference Association that they were in favour of the proposal.

With regard to item (7), as there was no classification for this article at present, it was proposed to be classified at 6 R. R. and 4 O. R. The Committee had no view on the same.

The views of the Committee were also invited on the suggestion to withdraw the condition re : compulsory prepayment of freight on a number of articles, such as art, pottery bangles, betel leaves, butter, cement castings, etc. The Committee in reply welcomed the proposal as the same, was in the interests of trades concerned.

Classification etc., of Goods—Proposals before the Indian Railway Conference Association.

The views of the Committee were invited by the Indian Railway Conference Association regarding the classification, etc., in respect of the following articles:

(1) Empty Glass Carboys;
(2) Nitrate of Soda;
(3) Axles and Wheels of country carts;
(4) Maize and Wheat Starch;
(5) Diesel Tractors;
(6) Rubber, Crude; and
(7) Crystallised Fruits, Pickles and Preserves.

The Committee in forwarding their views to the Railway Conference Association, stated as follows:

With regard to Item (1), the proposal was that the present classification of 6 R. R. should be changed and the article charged under the head; "Empties" at 1 R. R. The Committee approved of the same.

With regard to Item (2), the present entry was Nitrate of Soda, other than manures, at 2 R. R.. This was taken undue advantage of by merchants, who had simply to add 'for manure', which was charged under the head; "chemical manure, N. O. C." at 1 R. R. The proposal now was that the words "for manure" after Nitrate of Soda be deleted. The Committee had no objection to the same.

With regard to Item (3), the question had arisen as to under which head wheels and tyres of country carts should be classed. At present, the entry stood, it appeared to come under Axles and Wheels at 4 R. R. which was only intended to apply to wooden wheels. The proposal now was to classify wheels fitted with rubber tyres under

"Motor cars, spares, detached parts of, N. O. C." at 6 R.R. The Committee had no objection to the same.

With regard to Item (4), the proposal was that as these articles are used for sizing by Mills they should be included in the classification and chargeable for Starch and Farina at 4 R. R. and 2 O. R. The Committee had no objection to the same.

With regard to Item (5), the present rates for Diesel Tractors were quoted on certain Railways at 2 R.R. It was proposed that Diesel Tractors and Locomotives be separately classified and indexed to Motor Vehicles, N. O. C. at 4 R. R. The Committee were opposed to the classification of Diesel Tractors under Motor Vehicles at 4 R. R.

With regard to Item (6). Rubber, Crude, which was classified at 8 R. R. was now proposed to be classified at 6 R. R. The Committee approved of the same.

The views of the Committee were invited on the proposal before the Railway Conference Association on behalf of the manufacturers of Crystallised Fruits, Pickles and Preserves, in Delhi, that these articles should be charged at half-parcel rate same as Fruits, Sweetmeats, etc. The Committee in reply stated that they supported the proposal of the Delhi Manufacturers of these articles that they should be charged at half-parcel rate.

References from the Indian Railway Conference Association re : Classifications, etc.

The views of the Committee were invited by the Indian Railway Conference Association regarding classification, etc., of the following articles :—

1. Ferro Chrome ;
2. " Saf - Karo " ;
3. Cryolite ; and
4. Iron Alloy.

With regard to Ferro Chrome, at present there was no separate classification for Ferro Chrome, which was offered for transport on certain railways. Articles such as Ferro Manganese were classified at 4 R. R. and 2 O. R., but on account of the higher price of Ferro Chrome, it was proposed that it could bear a higher classification and should therefore be classified under the head "Metals, N. O. C." at 6 R. R. The Committee in reply stated that Ferro Chrome should be classified along with Ferro Manganese and charged at 4 R. R. and 2 O. R.

With regard to "Saf-Karo", it was being charged as for Polishes, non-inflammable, packed, at 6 R. R. and 4 O. R. There was objection to this classification, and it was now proposed to charge it under the head "cleaning pastes and powders, non-corrosive" at 2 B. R. R. The Committee informed in reply that they had no objection to this new classification.

With regard to Cryolite, it was a trade name for one of the Sodium Fluoride such as sodium silicate, etc., and it was proposed to be included in the list of Synonyms, etc., at 2A R.R. and 2 O.R. The Committee in reply stated that they had no objection to the proposal.

With regard to Iron Alloy, there was no classification for this article at present; the B. N. Railway opined that it should be charged as for "Metal, N.O.C." at 6 R. R., while the E. I. Railway stated it should be charged as for Ferro Manganese at 2A R. R., and 2 O. R. The Committee in reply informed that they approved of the latter suggestion.

References from the Indian Railway Conference Association re: Classification etc., of the following articles.

1. Printed tinned sheets used for making up empty cases or containers; 2. Bottles, 3. Plywood board, 4. Litharge and Murthasingh, 5. Packing conditions for bales of piecegoods. 6. Metals and Metal-ware.

The views of the Committee were invited by the Indian Railway Conference Association regarding the above questions. The Committee in reply informed as follows.

As regards 1 at present there is no classification for this article, the same being tentatively charged over the E. B. Railway as for Advertising Boards or Sign Boards at 4 R.R. The Committee observed that it should be charged at 2 R.R., instead of at 4 R.R. as charged by the E. B. Railway.

With regard to 2, 3 and 4, the Committee had no objection to the proposals.

With regard to 5, Committee stated that the following definition of the term "press-packed" if accepted by the Railways, will be satisfactory :—

> "A bale may be taken as press-packed when it is bound with iron bands or steel wires, not more than four inches in distance from each *i. e.*, intervening space between them to be not more than four inches, and is tightly compressed together to form a solid compact package. Anything which does not conform to this description should be classified as not press-packed.
>
> Imported bales and cases of piecegoods in tact and Mill-pressed bales and cases of piecegoods should be considered as press-packed".

With regard to 6, the Committee strongly protested against the proposed increases in freight rates on articles required for agricultural purposes such as castings, nuts, bolts, hammers, screws, spades, washers, etc. The percentage of the proposed increases were very high and they were definitely of opinion that neither trade nor industries would be able to bear such an enhancement. They pointed out that at present efforts of both Government and the public were directed towards the improvement and deve-

lopment of agriculture and it was surely suicidal to propose such increased rates at the present juncture.

The Committee recommended the following class-rates for the different metals contained in the proposal:

Aluminium scrap	to be charged at	2A RR & 2 OR
Lead scrap	,,	2A RR & 2 OR
Unrought aluminium	,,	3 RR
Aluminium ware	,,	5 RR
Iron and Steel scrap	,,	1 RR
Antifriction bearing metal	,,	4 RR
Nickel	,,	6 RR
Nickel copper zinc alloy scrap	,,	2A RR & 2 OR
Phosphor bronze scrap	,,	2A RR & 2 OR
Tin ingots, sheets, etc.	,,	4 RR
Tinned ware, N. O. C.	,,	4A RR & 4 OR
Cupro Nickel Bullet scrap	,,	2A RR & 2 OR

Classification of Soya Beans for Railway Freight purposes.

The views of the Committee were invited by the Indian Railway Conference Association by letter dated 8th June 1936 in regard to a proposal before them for classification of Soya Beans for freight purposes. It was pointed out that there was no classification at present for Soya Beans. Some railways suggested its classification as other beans under grain and pulse at 1 R.R.; while some other railway suggested its classification under seeds, N. O. C. at 2 R. R.; while still other railways suggested its classification at 4 R. R. on the ground that the price of Soya Beans was equal to that of groundnuts classified at 4 R. R.

The Committee in forwarding their views on 15th July 1936 to the Railway Conference Association observed they were strongly against any proposal to classify Soya Beans at higher than 1 R. R. They drew the attention of the Association to the fact that the various Provincial Governments and the Baroda State were trying their best to introduce the cultivation of the crops of Soya Beans into

India. Soya Beans were essentially foodstuff and should be charged along with other grain and pulse at 1 R.R. If the proposal to classify Soya Beans at 4 R.R. were accepted it would adversely affect the cultivation and production of the same in the country. They therefore strongly recommended to the Railway Conference Asssociation that Soya Beans should be classified at 1 R.R.

Railway Classification of Tin discs and Mahogany wood.

The views of the Committee were invited by the Indian Railway Conference Association on the proposals before them re: classification of Tin discs and Mahogany wood.

With regard to Tin discs, there was no general classification of the same at present and it was proposed that they should be classified as tinned sheets at 2 R.R.

With regard to Mahogany wood, the present classification of the same was 6 R.R., but it was now proposed to classify it as under Timber at 1 R.R.

The Committee, after consulting the trade interests concerned, informed Railway Conference Association, on 29th July 1936, that they had no objection to the above proposals.

Reference from the Indian Railway Conference Association re: Classification of Sweet Potato Seeds.

The views of the Committee were invited by the Indian Railway Conference Association by their letter dated 20th July 1936, on the above subject. These seeds were not classified in the General Classification of Goods at present. The price of this article was the same as that for seeds of melon, etc. It was therfore proposed that this seed might be included as a sub-head under the main head Seeds, N. O. C. at 2 R. R.

The Committee in reply informed the Railway Conference Association by their letter of the 26th August, 1936, that they had no objection to the above proposal.

Reference from the Indian Railway Conference Association re: Classification of Rotary Convertors.

The views of the Committee were invited by the Indian Railway Conference Association by their letter dated 29th July 1936, on the above subject. It was pointed out that the question had recently arisen as to how Rotary Convertors should be charged. Enquiries made showed that Rotary Convertors were a sort of motor used in converting alternative into direct current and *vice versa*. The suggestion therefore was that Rotary Convertors be separately classified at 2 R. R. and 2 O. R. indexed to the main head: Electrical Appliance; & Fittings, Div. C.

The Committee in reply informed the Railway Conference Association by letter dated 26th August, that they had no objection to the above proposal.

Classification of silvered glass.

The views of the Committee were invited by the Indian Railway Conference Association on the proposal to classify Silvered Glass under the head glassware, Div. B. at 8 R.R. It was pointed out that silvered glass was generally charged as looking glass indexed as glassware, Div. A at 9 R.R. It was contended that this was incorrect. Silvered glass was plain sheet glass silvered, and the present practice resulted in sheet glass silvered being charged 100 per cent more than plain sheet glass, which was considered unreasonable. It was therefore proposed that silvered glass should be indexed to glassware, Div. B, charged at 8 R. R.

The Committee in sending their views on 3rd September, observed that there was no mention or indication in the proposal as regards the thickness of silvered glass. They therefore suggested that silvered sheet glass of 1/16" and 1/8" thickness or 16 or 24 oz. per sq-ft. should be indexed to glassware, Div. B. at 8 R. R. and glasses of other than the above thickness shouldbe charged at plain glass at 4 R. R.

Classification of Laterite Boulders.

The views of the Committee were invited by the Indian Railway Conference Association on 5th September re: classification of Laterite Boulders. It was pointed out that in the absence of a specific entry in the Association Goods Tariff No. 20, laterite boulders were being charged as Stone, N.O.C., 1 R.R. by some railways while others were charging the same as Ballast. It was proposed that laterite boulders be included under the heading "Stone, N.O.C." 1 R.R.

The Committee in reply on the 17th Sept. informed the Railway Conference Association, that they had no objection to the above proposal.

Classification of Motor Road Rollers.

The Indian Railway Conference Association by letter dated 24th September invited the views of the Committee on the proposal regarding classification of Motor Road Rollers. It was pointed out that at present Steam Rollers were classified at 2B R.R. and 2 O.R. and shown as a sub-head under the main head Motors, other than electric. There was no classification for motor rollers and it was proposed that road rollers, diesel steam etc. might be classified at 2C R.R. and 2A O.R., but under the head : Locomotive, Diesel, Steam, etc.

The Committee informed the Association on 7th October that they had no objection to the proposed classification.

Railway Classification of Moulding powder and Component parts of Tricycles.

The Indian Railway Conference Association by letter dated 22nd September, invited the views of the Committee on the classification of the above two articles. The Committee in reply informed the Railway Conference Association on the 8th October that with regard to component parts of Tricycles, while they had no objection to classify the same

along with bicycles, they suggested that both cycles and tricycles and component parts thereof should be charged at 4 R.R. These were being used now-a-days as a cheap means of conveyance even in agricultural districts with the result that many small factories had sprung up to manufacture the component parts.

With regard to moulding powder, the Committee had no objection to classify it at 2 R.R. as proposed.

Railway Classification of indigenous Inks.

The attention of the Committee was drawn by a member to the classification of indigenous inks for railway freight purposes, at 6 R.R., under the head stationery. It was contended that this classification was very high and adversely affected the indigenous Ink Industry which was still in its infancy. The Committee, thereupon, addressed the various Indian Railways on 14th July, 1936, pointing out that articles such as ale, beer, aerated waters, sugarcane juice, etc., containing large proportion of water were generally classified at 2, 2A and 2B R.R., while ink which also contained a large proportion of water was classified at 6 R.R. The Committee observed that this was obviously unfair. Apart from this, indigenous Ink Industry was still in its infancy and deserved all possible help and encouragement at the hands of the Railway Administrations. They therefore requested the various Railway Administrations to ask the Indian Railway Conference Association to revise the classification for indigenous ink and place it at 2 R.R.

Texaco paving cements: and Classification of Ink.

The views of the Committee were invited by the Indian Railway Conference Association by letter dated 14th September, regarding the above:

1). It was stated that a question arose as to how Texaco paving cements should be charged. Enquiries showed that it was a trade name of asphalt which was

chargeable as Bitumen, and it was therefore proposed to include Texaco paving cements in the list of synonyms and trade names etc. as a trade name for Bitumen.

2). It was stated by the B.B. & C.I. Railway, that the heavy rate, 6th class, was adversely affecting the indigenous ink industry. In view of the fact that the more expensive quality of ink was usually consigned with other articles of stationery at 6th class rate and only the cheaper variety known as printer's ink was despatched in large quantities, it was proposed that classification of ink be altered from 6 R.R. to 4 R.R. and 3 O.R.

The Committee in sending their views on 30th September, observed that with regard to No. 1) they had no objection.

With regard to No. 2), the Committee were glad to note that the B.B. & C.I. Railway had recommended, recognising the difficulties experienced by the indigenous ink industry, the classification of ink at 4 R.R. and 3 O.R. The Committee felt however that this would not meet with the requirements of the industry. They therefore reiterated their original suggestion viz. ink should be classified at 2 R.R. and trusted that the same would be favourably considered by the Railway Conference Association.

Rate for Polsons flour in tins.

The views of the Committee were invited by the Indian Railway Conference Association by letter d/10-9-36, regarding the above. It was stated that Polsons flour in tins was classified by the S.I. and the N.S. Railways as Oilmanstores at 6 R.R., and as "Foods patent prepared from cereals or milk" at 6 R.R. by the M.S.M. and the B.N. Railways, while the G.I.P. and the B.B. & C.I. Railways were charging it as Flour at 2 R.R. It was therefore referred by the S.I. Railway to the Indian Railway Conference Association for an expression of opinion of their Commercial Committee.

The Committee in sending their views on 30th September, observed that they were surprised to note that Polsons flour in tins, which was purely wheat flour, was being classified at 6 R.R. by the S.I., N.S., M.S.M., and the B.N. Railways, when the G.I.P. and the B.B. & C.I. Railways were correctly charging it at 2 R.R.. Polsons flour is packed in tins to ensure better and longer preservation and avoid contamination, and in the opinion of the Committee therefore it should be classified as "Flour" at 2 R.R. over all the Railways.

Classification of Glucose:

The views of the Committee were invited by the Indian Railway Conference Association by letter d/18-9-36 on a proposal to classify Glucose Powder at 6 R.R. It was stated that Glucose was also imported in powder form and its price was from Rs. -/12 to Rs. 2/- per lb. according to grade and quality, while Glucose liquid was imported in bulk and its price was from Re. -/3 to -/6 per lb. and was charged at 2 R.R. It was therefore proposed to classify Glucose powder at 6 R.R.

The Committee in sending their views on 30th September, observed they were not in favour of raising the classification for Glucose powder to 6 R.R. as proposed, as it was largely used as medicine and any increase in its classification would seriously affect particularly the poorer classes of people.

Complaint re: Railway Frieght on Fire Bricks.

The Perfect Pottery Co., Ltd., Jubbulpore, wrote to the Committee on 5th August complaining about the policy of discrimination in the matter of freight rates for fire bricks. It was pointed out that freight rate for fire bricks from Jubbulpore to Bombay was As. 9/3 per maund O.R.CC.I. whereas the rate from Katni siding to Bombay was As. 8/¼ per maund O.R.CC.I. They therefore complained that they had to work under a handicap owing to this higher railway freight on their goods.

The Committee requested their representative on 19th August to take up the matter in the Local Advisory Committee of the G. I. P. Railway.

Transportation of Acids over the Railways.

The attention of the Committee was drawn by the Agents of the Eastern Chemical Company, Limited, Bombay, to the difficulty experienced by them in regard to transport of Hydrochloric and Sulphuric Acids manufactured by them over the railways on account of the insufficient allowance for the weight of carboys used for their consignments, and they had also sent a representation to the Indian Railway Conference Association, forwarding a copy of the same to the Chamber for support. The Committee thereupon addressed the Railway Conference Association on 11th June supporting the representation of the Eastern Chemical Company and requested the Association to favourably consider the matter in the interests of the indigenous industry. The Committee also addressed the Chief Inspector of Explosives Calcutta, on 2nd July requesting him to consider the request of Eastern Chemical Company favourably with a view to removing their grievance. In reply the Chief Inspector of Explosives informed the Committee by his letter of the 13th July 1936 that he had addressed the Indian Railway Conference Association stating that there was no objection to the proposal made by the Eastern Chemical Company Limited, of Bombay, to amend the rules and regulations, so as to facilitate transportation of acids over the Railways.

Classification of Cement Clinker.

The Committee were informed by the Indian Railway Conference Association by their letter dated the 8th December 1936 that there was a possibility of traffic in Cement Clinker on the various railways and it was, therefore, proposed that that commodity should be classified at 1 R. R.

The Committee in reply informed the Association that they had no objection to the proposal.

High insurance premium charged by the Railways for consignments of Treasure.

The attention of the Committee was drawn to the high insurance premium charged by the Railways (2 annas per Rs. 100) for consignments of Treasure, as compared with that charged by the Insurance Companies (1 anna per Rs. 100) for the same.

The Committee thereupon addressed the Railway Board requesting them to instruct the various Railway Administrations to reduce the insurance premium on such consignments and bring it in line with that charged by the Insurance Companies.

The Committee in this connection received a letter from the General Traffic Manager, B. B. & C. I. Railway on 27th August suggesting that the matter should be discussed with representatives of the Chamber in consultation with the Bombay Shroff Association, who had also made representations in the matter, with a view to obtaining detailed information with regard to the present disabilities. Accordingly a Conference was held in the office of the B. B. & C. I. Railway, on 9th September 1936, with representatives of the B. B. & C. I. and G. I. P. Railways when the following representatives on behalf of the Chamber attended :—

Mr. A. D. Shroff (*Vice-President*)
,, R. P. Masani,
,, Gordhandas G. Morarji,
,, Chunilal B. Mehta,
,, Mohanlal A. Parikh, and
,, J. K. Mehta (*Secretary*)

Uniform Indication Board at Local stations of the B. B. & C. I. and the G. I. P. Railways.

The attention of the Committee was drawn by the Passenger and Traffic Relief Association to the difficulty

experienced by passengers on account of the lack of uniformity in the indicator boards at local railway stations over the G. I. P. and the B. B. & C. I. Railways.

The Committee thereupon requested their representatives on the Advisory Committees of both the Railways to take up the matter with a view to remedying the grievance of the travelling public.

Unsatisfactory condition of Overbridges in some of the Suberban Stations of the B. B. & C. I. Railway, particularly during Monsoon.

The attention of the Committee was drawn by a member to the unsatisfactory condition of overbridges and platforms at some of the suburban stations of the B. B. & C. I. Railway, particularly during monsoon. These bridges and platforms being unroofed, the passengers were put to great inconvenience and hardship. The Committee thereupon referred the matter to their representative on the B. B. & C. I. Railway Local Advisory Committee and requested him to take it up with that Body, with a view to removing the grievance.

Re-introduction of the system of Mileage Coupon Tickets for Commercial Travellers on the Railways.

The Committee were informed by the G. I. P. Rly. authorities that they, in conjunction with the B. B. & C. I., N. W., E. B., M. & S. M., E. I., N. S., and S. I. Railways, had decided to re-introduce the system of First and Second Class Mileage Coupon tickets for commercial travellers for journeys over these Railways. The Committee thereupon wrote to the G. I. P. and the other Railway Administrations, observing that they were glad to note that at last their suggestion of re-introducing the system of Mileage Coupon Tickets had been accepted by the Railways. The Committee however felt that the exceptions in regard to Brokers, Bankers, Accountants, Architects, etc., from the benefit of

the system, as proposed by the Railways, were not justified, as these should be ranked as commercial people, because they had also to travel long distances over the Railways on business. They should therefore be given the benefit of the concession. The Committee also requested the Railway administrations to extend the benefit of the system to *bona fide* representatives of commercial firms travelling Third-class over the Railways.

In reply to the Committee's letter dated 23rd April re: re-introduction of the Mileage Coupon Tickets for Commercial Travellers, the G. I. P. Railway Administration informed on 28th May that these concessions were introduced as an experimental measure in the first instance. They regretted their inability to extend the same to professionals like Auditors, Architects, etc., they also regretted their inability to extend the facility to third-class commercial travellers.

Subsequently it was brought to the notice of the Committee that the B. B. & C. I. Rly., refused to issue such mileage coupon tickets to Insurance representatives and managers. It was contended that Insurance Managers had to tour round the country to introduce their companies in the various parts, and as such their representatives should also get the benefit of this system. The Committee thereupon requested their representative on the B. B. & C. I. Rly., Local Advisory Committee to take up the matter with that body.

Railway concessions for Associations and parties proceeding for public exhibition.

It was represented to the Committee that all the railways in India should be persuaded to give concessions in passenger fares to parties and associations proceeding to participate in commercial and industrial exhibitions and similar fairs similar to the concessions now being given to parties of students, theatrical troupes, boy scouts, etc. Con-

cession in freight, it may be pointed out, on goods sent to such exhibitions, are now allowed. The Committee, therefore addressed a letter to the Railway Board requesting them to have the matter considered by the Indian Railway Conference Association with a view to the introduction of such a facility over all the Indian railways.

In reply to the Committee's representation to the Railway Board asking for extension of concessions in passenger fares to Demonstrators, Associations and parties taking part in public exhibitions in India, on the same basis as for parties of school students, theatrical troupes, etc., the Railway Board informed them that the matter was one for individual Railway Administrations concerned. The Committee thereupon addressed the various important Railway administrations requesting them to grant such concessions to demonstrators, associations and parties taking part in public exhibitions in the country, and to move the Indian Railway Conference Association for formulating suitable rules in that concession, if necessary.

In reply the Committee were informed by the Nizam's State Railway Administation on 3rd June that they would be glad to extend the concessions to these parties and would also co-operate with foreign railways in the matter. Some of the other railways informed by letter dated 29th May that they had referred the matter to the Indian Railway Conference Association, and the latter informed that the matter was placed on the Agenda of their meeting in July.

Local Suburban Railway Service over the B. B. & C. I. —Insufficiency of Fast Trains between Andheri and Churchgate Stations after 10-15 a. m.

A complaint was received from a member that there was not a sufficient number of fast trains running between Andheri and stations beyond, and Churchgate after 10-15 a.m. It was pointed that before some years past fast trains were run upto about 12 Noon. At present the

business people residing in the suburbs of Bombay found it extremely inconvenient as there were no fast trains after 10–15 a. m. The Committee thereupon requested their representative on the Local Advisory Committee of the B. B. & C. I. Railway to take up the matter with the Railway authorities with a view to remedying this grievance.

In reply to the request made on behalf of the Committee by the Chamber's representative at the B. B. & C. I. Local Advisory Committee, the Railway Authorities had now agreed to put an extra fast train at 10-48 A. M. from Borivli.

Refusal of the G. I. P. Railway to book scrap at condemned metal rate.

The attention of the Committee was drawn by a member to the refusal of the G. I. P. Railway to book scrap at condemned metal rate. It was pointed out that the B. B. & C. I. Railway accepted the scrap at condemned metal rate and there was no reason for the G. I. P. to refuse to do so.

The Committee thereupon requested their representative on the G. I. P. Railway, Local Advisory Committee to take up the matter with the Railway authorities.

Railway concessions to exhibits for the Congress Village Industries and Khadi Exhibition to be held at Lucknow.

The attention of the Committee was drawn to the refusal by the G. I. P. Railway authorities to give customary concessions in freight in connection with the Congress Village Industries and Khadi Exhibition held at Lucknow. The Committee thereupon sent a telegram to the Railway Board pointing out that such a refusal was contrary to the established policy of Railway administration in India. They added that trade and

industries and consequently Railway revenues were likely to benefit by such concessions and as such they requested the Railway Board to urge on the G. I. P. Railway Authorities to grant concessions and necessary facilities for the said Exhibition.

The Committee were informed subsequently that the G. I. P. Railway authorities had agreed to grant the concessions and necessary facilities for the Exhibition.

The Committee were further requested by the Exhibition Committee to secure similar concessions from the B. B. & C. I. Railway also. The Committee thereupon requested their representative on the B. B. & C. I. Railway Local Advisory Committee to do the needful in the matter and through his good offices the necessary conveniences were secured.

Lengthening of platforms at important stations over the G. I. P. Railway.

The Secretary of Group No. 1 of the Railway Closer Contact Committee wrote to the Chamber stating that this question was submitted to the Group No. 1 for being taken up at the meeting of the Group Committee with the Railway Agents. The Maharashtra Chamber represented that the long distance trains on the G. I. P. Railway had now-a-days additional number of carriages, particularly on the Bombay–Madras and the S. E. Sections, with the result that some of the carriages remained outside the platforms. They suggested therefore that platforms at some of the important stations should be lengthened, and an early start in this direction might be made at stations like Kurla, Dadar and Byculla in the suburban area. The Committee of the Chamber was requested by the Group to ask their representative on the Local Advisory Committee of the G. I. P. Railway to do the needful in the matter.

The Committee accordingly requested their representative on the Local Advisory Committee.

Provision of fans on the platforms, and facilities for parking of Victorias and other vehicles in the Compound of the Bombay Central Station; and concession tickets for the Ajmer Fair, over the B. B. & C. I. Railway.

The Secretary of Group No. 1 of the Railway Closer Contact Committee wrote to the Chamber that the above three questions were suggested to be taken up at their meeting with the Railway Agents. As the same fell more appropriately within the sphere of work of the Railway Local Advisory Committees, it was suggested that the Committee of the Chamber should request their representative on the Local Advisory Committee of the B. B. & C. I. Railway, to take up the same in that body and do the needful.

Accordingly the Committee requested their representative on the B. B. & C. I. Local Advisory Committee to take necessary action thereon.

Demurrage charges of the Railways during riot period in the City:

The Committee were requested by some members to approach the B. B. & C. I. and the G. I. P. Railways in regard to railway demurrage charges for consignments which werenot taken delivery of by merchants on account of the prevailing riotous situation in the City. The Committee thereupon addressed both the Railways requesting them to declare the riot period as "dies non" in view of the fact that the riotous situation in the city precluded the consignees from taking delivery. The Committee drew the attention of the Railways to the fact that the Bombay Port Trust had already issued a notification to consider all days commencing from 16th October to such date as to be notified later on as "dies non." In reply the B. B. & C. I. Railway informed the Committee by letter of the 23rd October, that it was not possible to treat the period during which the riots lasted as "dies non." They added, however,

that each case would be dealt with on its own merits and remission of wharfage if necessary, would be allowed. The Goods Agent, Carnac Bridge, would personally consider every application in connection with consignments handled at that depot.

The G. I. P. Railway, by letter dated 29th October, informed that it was realised that the riots in the city had upset the markets to some extent and the Goods Superintendent, Wadi Bunder, would deal with cases where the merchants had not been able to take delivery of consignments within the free time allowed on the merits of each case, and these cases would be dealt with with leniency.

Nomination of Chamber's representative on the G. I. P. Railway Local Advisory Committee.

As the present term of office of the Chamber's representative on the Local Advisory Committee of the G. I. P. Railway is to expire shortly, the Committee were requested by the Railway Authorities to nominate their representative on the Advisory Committee for a fresh term of two years commencing from June 1936.

The Committee re-nominated Mr. Gordhandas G. Morarji as their representative for a fresh term of two years.

Appeal of the Bombay Taxi Drivers' Union for support to their demand for 4 anna-fare per mile in the City.

The Committee were requested by the Bombay Taxi Drivers' Union to support their demand to the Dy. Commissioner of Police, Motor Vehicles Department, for fixing the official rate for taxi meters at 4 annas per mile instead of at 6 annas as suggested by the Authorities. The Committee in reply informed the Union that while they were in sympathy with the demand of the taxi drivers, they felt that a way out of the impasse must be found.

To secure that, the Committee suggested that the Taxi drivers should take advantage of the offer made by the Police Commissioner, *viz.* they would be allowed to ply the taxis at 4 annas per mile, even though the official meter rate would be 6 annas. This would, in the opinion of the Committee, secure the objective of the Union and at the same time the official meter would be registering 6 annas for those who did not want to ply at 4 annas per mile. Subsequently, the Taxi Drivers' Union decided to accept the above offer of the Police Commissioner.

Delays in India-Africa Air Mail Serveice.

A complaint was received from a member as regards the delays that were occurring in the India-Africa Air Mail Service on account of the recent alterations in the timings for departure and arrival of Air Mail on important stations on the Imperial Airways Service. This delay had considerably inconvenienced the Indian business community having connections with East Africa. The Committee thereupon addressed the Director General of Posts & Telegraphs to be pleased to look into the matter and remove this inconvenience when any suitable opportunity arose.

In reply they were informed on 17th June 1936 that a reference was made to the British Post Office, London, on the subject and a reply was received that the revised time-tables had been adopted by Imperial Airways only after an exhaustive examination of all possible alternatives and that it would not be practicable at present to re-establish an immediate connection at Alexandria of mails between India and Africa. In the circumstances, it was regretted that it was not possible to avoid the detention caused at Alexandria to the air-mails despatched from India to Africa.

International Telegraph Conference, 1938, to be held at Cairo.

The Committee were informed by the Director General of Posts & Telegraphs, that the next International

Telegraph Conference will be held at Cairo in 1938, and invited suggestions, if any, from the Chamber as regards the regulations of Foreign Telegraph Service.

The Committee, in reply, observed that, when in 1932 a reference was made to them regarding the introduction of 5-Letter code telegram they had supported the same, provided that the charges were reduced to half of the then existing rate for 10-Letter code telegrams. Subsequently the 5-Letter code telegram was introduced, at a slightly reduced rate, but not at the rate suggested by the Committee. The Committee, therefore, requested the Government of India to take up this question, once again, at the forthcoming Telegraph Conference at Cairo and to press for *pro rata* reduction in the charge for the 5-Letter telegrams. The Committee also drew the attention of the Government of India to the complaints received regarding the heavy rates for cables to the United States of America and Japan and requested Government to see if some relief could be obtained for India by way of reduction in these charges.

Proposal to Discontinue All-India Weather Summary Telegrams.

The attention of the Committee was drawn to a circular issued by the Director General of Observatories, India Meteorological Department, Poona, dated 25th June 1936, announcing certain changes to be made in the issue of the present All-India Weather Summary telegrams from Poona. It was proposed to discontinue the All-India telegrams, except to *bona fide* press subscribers for publication in newspapers, and to issue instead four regional Summary Weather telegrams from Poona, Karachi and Calcutta.

The Committee in addressing the Director General of Observatories, on 24th July, 1936, observed that the All-India Weather Summary telegrams, the subscription for which was Rs. 10 per month, were found useful and important by the commercial community and that their discontinuance would mean a good deal of inconvenience to them. The

new arrangement of issuing four regional Weather Summary telegrams would mean Rs. 48/- per month for getting all the four regional telegrams. The Committee could not understand why the charge should have been enhanced to such an extent for the same service and why the present service which was found useful by the business community should be discontinued.

In this connection, the Committee supported the protest lodged by the Grain Merchants' Association and the Seeds Traders' Association, Bombay, and hoped that the proposed changes would not be brought into effect and that the All-India Weather Summary telegrams would be continued as before.

In this connection, the Committee drew the attention of the Director General of Observatories to the fact that the usual method followed by all Government Departments with regard to such changes of consulting representative Commercial Bodies was not followed by the Indian Meteorological Department.

In reply to the representation, the Director General informed the Committee that All-India Weather Summary Telegrams were being transmitted by the Telegraph Department as Express Press Telegrams which had resulted in considerable loss to the Telegraph Department. In order to avoid this loss it was decided to issue these telegrams to *bona fide* press subscribers only. Even the transmissin of each Regional Summary Telegram to a subscriber as an express message would cost on the average Rs. 120/- per month during May to October and Rs. 80/- per month during November to April. As a special concession to the public, however, the Government of India, had decided to continue the press rates in respect of these Regional Summary Telegrams. In view of this, the Committee requested that the All India Reports should be given to the recognised commercial bodies at least, at the usual press-rates.

Limit for transmission of gold and silver bullion through inland post.

It might be recalled that the Committee had addressed the Government of India in September 1935, requesting them to raise the limit of Rs. 700 for transmission of gold and silver bullion by Post, to that for gold and silver ornaments, ie. Rs. 3000/-. The Committee were, in reply informed that after careful consideration, the Government of India regretted their inability to accept the Committee's suggestion for amending the Rule limiting the transmission of gold and silver bullion to Rs. 700.

The Committee felt as a result of the appreciation of gold prices, the quantity of gold that might be transmitted under the existing limit had substantially decreased and therefore the necessity of raising the present limit of Rs. 700 was all the more greater. They therefore requested their representative in the Legislative Assembly to raise this question by suitable interpellations.

II.—FINANCE, TARIFF AND TAXATION.

Budget of the Government of India for 1936-37.

The Committee sent a representation to the Government of India, Finance Department, re: the Budget proposals for the year 1936-37.

In the first place they observed that they could not subscribe to the view of the Finance Member that recovery in India's economic position had set in strongly, because the level of agricultural prices still continued low.

The Committee were of opinion that if the Finance Member had not under-estimated the revenue for 1935-36, particularly in regard to import duty on sugar, the relief in direct taxation, which was made possible this year, could easily have been given at least 12 months before. They were further of opinion that in the estimates of revenue for 1936-37, conservatism had been carried too far.

The Commercial community while welcoming the reduction in surcharges on income and super taxes, and the raising of the lower limit for income-tax, could not help feeling that with a little more effort on the part of the Finance Member, he could have abolished the whole surcharges on income and super taxes.

With regard to postal rates, the Committee urged Government to reduce rates for postcards, and also for book and packet post to the former level of half an anna for every five tolas.

The Committee reiterated their view that any surplus in the budget should be availed of by Government to give relief to the general consumer of salt in the country, as it would benefit the agriculturist.

The Committee could not share the optimism of the Finance Member in regard to the continued favourable balance of trade of the country. Since October 1931, when gold began to be exported from India, the trade balance in favour of the country had been largely, if not entirely, determined by the continued exports of gold. The commercial community had always looked upon these exports of gold with serious apprehension and were of the considered opinion that the maintenance of imports of the country had only been made possible by frittering away of the capital asset of the country, viz., Gold. The Committee therefore urged Government to enunciate their policy in this regard and also suggested further search for a permanent reduction in interest charges by conversion of loans whenever possible.

The Committee reiterated their emphatic protest against the continued disbursement of such a large amount as Rs. 45 crores on Military expenditure and expressed their alarm at the warning given by the Finance Member that in the years to come this expenditure was likely to show a substantial increase. They urged that every endeavour ought to be made to secure a reduction.

With regard to reconstruction of Quetta, the Committee observed that such expenditure was essentially of a capital character, and therefore, urged upon the Finance Member to revise his decision and obtain the necessary funds by borrowing, especially at the present low rates.

Lastly, the Committee suggested that Government should consult commercial opinion in order to make the broadcasting services more helpful to the trading community in the country.

Railway Budget of the Government of India, for 1936-37.

The Committee issued a statement regarding the Railway Budget of the Government of India for 1936-37. They observed that it was depressing that the Railways

had continually been showing huge deficits for the last six years. It was true there were several factors over which the Railways had no control which had led to decreased earnings of the Railways; but there were also factors, for which the Railways had been responsible to some extent, for the present situation. The Railways had not shown any imagination for formulating policy to bring in more traffic either of passenger or of goods. They were overriden by hide-bound conventions and traditions and methods of expenditure which might be suitable for other foreign countries but which were not suitable for a poor country like India. The Committee referred to ill-conceived capital expenditure on projects like the Bombay Central Station and transformation of several stations on different lines, the utility and importance of which might well be doubted, which had added undue recurring burden in the shape of interest charges to the tax-payer. The Committee criticised the Railways for restoring the ten per cent. cuts in the salaries of their officers, which meant an annual expenditure of Rs. 90 lakhs, which could not be called a mean item in the total deficit of Rs. 340 lakhs. The Committee deplored that while the Railways were suffering for the last six years from huge deficits, the Lee Commission concessions were still continued for the benefit of a particular class of their officers.

The Committee urged the necessity of appointing a Non-Official Committee to go thoroughly into the Railway finances and point out the possible directions in which curtailment of expenditure could be effected.

The Committee were surprised at the proposal to increase the present rates and freights, as such an increase would, it was feared, instead of getting any additional revenue, reduce the income, because the present rates and freight had reached a limit beyond which it was not the capacity of the country to go.

With regard to termination of the contracts with the B. N. and the M. S. M. Railways, the committee

expressed their anxiety that the non-comital attitude of the Government of India in the matter might lead to throwing over-board the principle and policy of State-management of the Railways under the influence of vested interests which had always been opposing this principle.

The Committee congratulated the Hon'ble Member in charge for endorsing the ideal of economic l self-sufficiency of the country, which was a good repy to those critics of the Railway Budget, who would like to change the tariff policy on the plea that what little protection the industries of the country had been enjoying came into conflict with railway earnings. In the opinion of the Committee, there could not be any satisfactory increase in railway earnings when India's trade and industries and agriculture were left in a condition of penury and self-starvation. With the development of industries and agriculture of the country, through full and complete protection, the railways would get increased revenues through the enhanced prosperity of the country.

Devaluation of the Rupee.

The Committee addressed on 12th November 1936 a representation to the Government of India, Finance Department, in connection with the situation arising out of the recent development of world events like the devaluation of Franc and the currencies of Holland, Switzerland and Italy. They observed, that though the adjournment motion moved in the Assembly to consider the present position of the Rupee, and the refusal of Government to devalue it or even to consider having an enquiry into this problem, was lost by the casting vote of the President, there was a large amount of commercial opinion in India which was seriously apprehensive with regard to the attitude adopted by Government and which held that this position of Government was untenable, obstructive and perverse to the best interests of the country. The Committee without going into the remote past referred to the history of the controversy regarding currency and exchange policy and

pointed out that the sale of Reverse Councils in 1920 inflicted a loss to the tune of nearly Rs. 40 crores and the unsettlement caused by fixing the Rupee at 2sh. remained a source of incalculable harm for a number of years. Even Government, after this experience, unfortunately again took a retrograde and reactionary step in 1926 by fixing the ratio at 1sh. 6d. The whole of the Indian commercial community was unanimous in warning Government against the policy laid down in 1926 and its fears and apprehensions had been justified by all that had happened during these years which followed the linking of the rupee at 1s. 6d.

In September 1931 when Great Britain went off Gold Standard, the rupee was linked to sterling at the dictation of Whitehall. The Committee realised that the rupee was thus in effect devalued to the extent of 40%. It was however, forgotten that that incidental devaluation effected by the rupee being linked to sterling was not adequate nor did it meet with the needs of the situation inasmuch as the overvaluation of the Rupee in relation to sterling prior to 21st September 1931 had been allowed to continue uncorrected. Government could not be unaware that the country in general and the commercial community in particular had never accepted the valuation of the Rupee at 18d. as the last word on the subject. The Committee referred to the compromise effected, when the Reserve Bank Bill was under discussion in the Assembly, with regard to clauses prescribing the value of the rupee in terms of sterling, which clearly visualised, that when the international monetary position had become sufficiently clear and stable, the question of the monetary standard best suited to India would be considered. The situation, therefore, which was visualised in the preamble of the Reserve Bank Act had now been reached and the Committee urged that it was but right and natural that the commercial community of India should expect Government to implement the assurances given at the time of the enactment of the Reserve Bank Act.

The Committee in conclusion urged that Government should undertake an immediate review of the valuation of the rupee in consultation with expert opinion and observed that they had no doubt that a close and impartial scrutiny would lead to only one conclusion that it was no longer possible to defer the devaluation of the rupee to suit the urgent economic needs of the country.

Fixation of money rates by Bombay Banks for Loans and Advances.

The attention of the Committee had been drawn to an arrangement reached by the Exchange Banks' Association and other Banks, who were not its members, to fix certain minimum rates for loans and advances against Gilt-edged securities, shares, commodities etc. The Committee addressed the exchange Banks Association stating that such an arrangement was bound to prove prejudicial to the interests of trade, industries, commerce and agriculture of the country. They pointed out that there was a considerable amount of idle money which was difficult to employ at present, and that in tune with this state of monetary condition, the Reserve Bank of India reduced its rate in November 1035 from 3½ to 3%. This reduction in the bank rate was obviously made to allow the country to derive the advantage of cheap money and the Committee regretted the above-mentioned arrangement was calculated to defeat this object of the Reserve Bank. The Committee also pointed out that the combination of Banks in Bombay with a view to increase the burden of interest charges on trade and industries of the country was highly objectionable in principle and was likely to hinder the maintenance of friendly feelings and relations between Banks and the general public in Bombay. The Committee therefore requested the Exchange Banks Association and other Banks to reconsider the recent arrangement with a view to terminate the same, thereby enabling trade, industries and agriculture to derive the much-needed stimulus for the long expected recovery through the continuance of cheap money.

The Committee also drew the attention of the Reserve Bank Authorities to the above arrangement and requested them to use their good offices with the Scheduled Banks with a view to the termination of the same, which was bound to impede the recovery of trade and industries in the country.

In reply to the Committee's letter to the Exchange Banks' Association, and the Reserve Bank of India, the Chairman of the Exchange Banks' Association informed that the minimum rates fixed by members of his Association and other indigenous Banks concerned were so low as to leave a minimum profit for banks and would in no way prove injurious to the trade of Bombay in general. Most banks were borrowing moneys at 2 to 2½ per cent for 12 months and it was only resonable that advances should not be made at less than these rates.

The Reserve Bank of India observed in their reply that it was to be seen if the agreed minima were inflexible for a period or whether they were subject to re-arrangement with the rise or fall of the Bank rate. If the rates proved usurious, there was little doubt that the Reserve and the Imperial Banks would exercise a correcting influence.

The Committee thereupon again addressed the Exchange Banks' Association stating that a large number of commercial and industrial houses were able to obtain loans and advances from Banks before the fixation of the rates under reference quite freely at 1½ per cent, on which they had now to pay an interest of 3% minimum rate. The Committee therefore reiterated their conviction that the fixation of minimum rates would not but impede the recovery of business in Bombay. The Committee also pointed out that is was not an unusual practice in Bombay for big commercial and industrial houses to obtain clean loans for short periods like 7 days' notice, money which were available, before the fixation of the minimum rates, fairly freely between 1 and 2%. The fixation of minimum rates at 3% would be an obvious additional burden on the *bona fide* merchant and industrialist,

The Committee also emphasised the fact that the elimination of healthy competition from the sphere of banking was not at all desirable, because such elimination would adversely affect the trade and commerce and in return would not fail to have repercussions on the Banking business itself.

Under these circumstances, the Committee hopedthat the Exchange Banks' Association would be good enough to revise their decision in the interests of trade, commerce and industry.

The Committee forwarded to the Reserve Bank of India, Calcutta, a copy of the above letter to the exchange Banks' Association and requested the Reserve Bank Authorities to use their good offices and bring about the termination of the arrangement for minimum fixation of money rates for loans and advances.

Indian Financial Enquiry (Sir Otto Niemeyer) Report.

The Committee issued a statement regarding Sir Otto Niemeyer's Report regarding financial settlement between the Central and Provincial Governments under the new Reforms. The following are the chief points dealt with by the Committee :—

(1) The Committee strongly objected to the continued unfair treatment of the Bombay Presidency as proposed in the report.

(2) The Committee protested against the allocation of only 20 per cent of the Income-tax revenue to the Presidency.

(3) The Committee took strong objection to the opinion expressed by Sir Otto Niemeyer *ex-cathedra* that there was no room for further reduction in the expenditure of the Central Government.

(4) The Committee also took strong objection to the opinion expressed by Sir Otto Niemeyer that the Surcharges on Income-tax and Super-tax should be retained.

(5) The Committee welcomed the suggestion made by Sir Otto Niemeyer re : complete over-haul of the Railway Finances, and suggested an immediate enquiry into the same.

Indo-Burma Financial Adjustments.

The Committee sent a telegram to the Government of India, protesting against the appointment, recently announced by the Secretary of State for India of a Committee to make modifications and adapatations expedient in practice with regard to the Indo-Burma financial adjustments. They observed that this meant that the recommendations of the Amery Committee in this regard were finally accepted, despite the resolution unanimously passed by the Legislative Assembly demanding altogether fresh investigation by another Tribunal in which representatives of India and Burma would sit. They therefore requested Government to make arrangements even now to give effect to the unanimous wishes of the legislature.

Difficulties experienced by importing houses on account of inadequate Banking guarantees.

The attention of the Committee was drawn by a member to certain difficulties experienced by importing houses on account of the change in procedure adopted by the Exchange Banks Association from 1st July 1936. Before 1st July, when boats carrying consignments arrived in advance of documents, importing houses were able to clear the same under Shipping Guarantees countersigned by banks pending receipt of documents. The Shipping Guarantees were redeemed later on by the surrender of Bills of Lading when received. From 1st July 1936, however, it was complained that the Exchange Banks Association had

passed a resolution by which member-banks, instead of giving such guarantee for unspecified liability, as they were doing previously, had decided to give only limited liability to the extent of double the value of consignments. The Shipping companies, on the other hand, refused to grant delivery of consignments against such limited guarantees. This naturally resulted in great inconvenience to importing firms and also undue delay, and losses on account of fluctuations in the market due to the inability of importing houses to clear their consignments in good time.

In view of all these difficulties, the Committee addressed the Exchange Banks Association on 20th August 1936 requesting them to enlighten them as to the reasons why the Association had decided to change their procedure of giving guarantees for unspecified liability from 1st July 1936.

Heavy Currency Telegraphic remittance charges.

The attention of the Committee was drawn to the charges which the merchants had to pay to the Reserve Bank from time to time. The Committee in this connection addressed the Reserve Bank of India on the 18th December 1936 observing that under Article 162, Resource Manual telegraph charges should be Rs. 3 or Rs. 2 according to the person desired the transfer to be intimated by express or ordinary telegram. The Committee, however, believed that the Bank could not be incurring such a high cost for Currency Telegraphic remittances. They suggested that the Reserve Bank should charge the merchants only such amounts as the Bank had actually to spend specially as the object of extending this facility of Currency Telegraphic Remittance was to give a much needed impetus to the inland trade and to develop internal banking. Under the circumstances the Committee hoped that the Board of the Reserve Bank would be pleased to make a change in the above mentioned rule in order to remove this grievance of the mercantile community.

Indo-British Trade Agreement.

The Committee forwarded their views on 19th August 1936 to the Government of India, Department of Commerce, on the question of a new Trade Agreement between India and the United Kingdom.

Indo-Japanese Trade Negotiations.

In connection with the Indo-Japanese Trade Negotiations, the Committee sent a representation to the Government of India, in April last, containing their views.

Report of the Special Textile Tariff Board and Government decision thereon.

The Committee addressed the Government of India, Department of Commerce, on 4th August, 1936 in regard to the recommendations of the Special Textile Tariff Board and the decision of the Government of India giving immediate effect to the same. They pointed out that the recommendations of the Textile Tariff Board went counter to the Resolution passed by the Legislative Assembly with regard to Ottawa Agreements, thus expressing themselves against the principle of Imperial Perference, which had been interwoven by Government in their policy of discriminating protection for some time past. The Tariff Board had made recommendations for lower differential duty for imports from the United Kingdom which could only mean the continuance of Imperial Preference. The Committee had also got much to say about the character of the recommendations but they did not propose to do so at that the stage. They however observed that they were painfully susprised at the decision of Government to give effect to those recommendations the very next day of the publication of the report. It would have been much better if Government had placed the recommendations before the Legislature and sought their co-operation with any steps they proposed taking,

particularly in view of the fact that important issues were involved in these recommendations and great interest was taken in the matter by the country as a whole.

Tariff Board's recommendations re: Classification of certain kinds of Paper for Tariff purposes.

The Committee forwarded their views, on the 15th July 1936, to the Government of India, on Commerce Department Resolution on the recommendations of the Tariff Board regarding classification of certain kinds of paper for Customs purposes, and also the advisability of removing the 25% surcharge on the paper Protective Duties. They observed that it would not be in the best interest of the Indian Paper Industry to remove the 25% surcharge as contemplated by Government. The Committee added that they were informed that the Indian Paper Mills had not been able to realise the prices calculated by the Tariff Board in 1931 as fair prices. The removal of the surcharge under such circumstances would, in the opinion of the Committee, adversely affect the Indian Paper Industry.

The Committee in this connection also drew the attention of Government to the fact that one of the main objects of giving protection to the Indian Paper Industry was to stimulate production of bamboo and wood pulp in India and its greater use by the Indian Paper Mills. While the Indian Paper Mills seemed to have increased the use of indigenous pulp some of them had still to rely on foreign pulp for the raw material. In order to stimulate production of Indian pulp, it was necessary that the Government of India as well as the Provincial Governments should institute further researches, and that Government should also impress upon the indigenous Paper Industry the necessity of making still greater use of Indian pulp.

Abolition of the Tariff Board--Government decision re.

The Committee addressed the Government of India, Department of Commerce, on 3rd July 1936, registering their

strong protest against the decision, reported to have been taken by Government, to dispense with the Indian Tariff Board. They observed that for the past several years the business community were pressing on Government the desirability of remodelling the constitution of the Tariff Board on lines which were in vogue in some of the advanced industrial countries to meet the changing requirements of the development of Indian industries. Government, instead of doing this, had decided to dispense with the Tariff Board, thus giving a death-blow even to the principle of 'Discriminating Protection' which was recommended by the Indian Fiscal Commission and accepted by Government themselves over a decade ago. The Committee were anxious for a statement by the Government of India with regard to the abolition of the Tariff Board to allay public anxiety and dispel public fears. They therefore hoped that Government would be pleased to state as to what had been the exact reasons that had led to the abolition of the Tariff Board and what policy Government proposed to pursue in near future with regard to protection of Indian industries.

Tariff Amending Bill re: Spun Silk Yarn, and Staple Fibre.

With regard to the above Bill the Committee sent a telegram to the Government of India, Department of Commerce, stating that they approved of the reduction in duty proposed therein for Staple fibre. At the same time, the Committee suggested that Government should reserve to themselves the power to increase the duty, if it appeared that staple fibre was imported from any country at a much cheaper rate and threatened to affect the interests of Indian cotton adversely. Regarding Spun Silk Yarn, the Committee approved of the proposed increase in duty ; they however requested Government to be watchful and to lower the duty if the interests of hand-loom weavers were affected adversely.

Imports of Australian Wheat into India.

The attention of the Committee was drawn by the Indian Chamber of Commerce, Calcutta, to the increasing

imports of Australian Wheat Flour. This was likely to affect the Indian Flour-milling Industry. The Committee thereupon sent a telegram to the Government of India, Department of Commerce on 10th June requesting them to take necessary action against the imports of Australian wheat before the Indian flour-milling Industry was crushed.

Reduction in duty on raw materials for Bakelite Industry.

The Committee addressed the Government of India on 12th Sept. in regard to the difficulty experienced by the Bakelite moulding industry which had been recently established in the country on account of the heavy import duty of 25 per cent on raw materials of the industry. The import duty on the finished products was 25 per cent on tea cups, saucers, soap boxes, etc., and 30 per cent on Electric switches, etc. It would thus be seen that the import duty on finished products was no protection to the indigenous industry. The indigenous industry had a vast field in this country and as such, in the opinion of the Committee, deserved every assistance at the hands of Government. The Committee therefore requested Government to be pleased to reduce the duty on materials used by the Industry and afford satisfactory protection to the same.

The Government of India in reply informed the Committee that they regretted their inability to accede to their (Committee's) request.

Inadequate protection to the Indian Sericulture Industry.

The Committee addressed the Government of India in December last drawing their attention to the plight of the Indian silk industry on account of the inadequate measure of protection accorded to it. The position of the Industry since then had gone from bad to worse, and the Committee therefore again addressed Government on 22nd September in the matter. They pointed out that successive falls in prices of imported raw silk during the last few years as disclosed in the Memorandum submitted by the

Mysore Chamber of Commerce on 28th August to Government, and the increasing imports of raw silk particularly from Japan had rendered the existence of the Indian sericulture Industry extremely precarious. Under the circumstances the Committee urged upon Government the necessity and desirability of taking such effective steps as would check the abnormal imports of raw silk as also of silk and artificial silk yarn into India, and thereby afford the much-needed protection to the Indian sericulture and silk industry.

Inadequate Protection to the Indian Silk Weaving Industry.

With reference to the Committee's representation to the Government of India on the 22nd September 1936 regarding adequate prctection to the Indian Sericulture Industry, the Committee again addressed Government on 26th November in regard to inadequate protection to the weaving section of the Indian Silk Industry. They observed that in 1934 when the Government of India granted protection to the Indian Silk Industry, the measure of protection was not equal in extent and degree to that recommended by the Tariff Board of 1933. Even the prices on the basis of which the then Tariff Board calculated and recommended protection to the Industry had since then registered considerable fall. The measure of protection had thus deteriorated on account of the fall in prices of imported silk piecegoods. All this had adversely affected the Indian silk industry. The Committee therefore requested Government to be pleased to grant at least that measure of protection as was originally recommended by the Tariff Board.

Interview with Mr. W. W. Nind, C.I.E., I.C.S., Customs Member, Central Board of Revenue.

The Committee had an interview on 20th October, with Mr. W. W. Nind, C.I.E., I.C.S. Customs Member, Central Board of Revenue, when the following subjects were discussed with him:—

(1) Customs Agreement with Maritime Kathiawar States.

(2) Smuggling via land over the Frontier.
(3) Basis for assessment of goods ad valorem or invoice value.
(4) Marks of Origin on all imported goods.

Marks of Origin.

The Indian National Committee of the International Chamber of Commerce, Calcutta, by letter dated 16th September, informed the Committee of the Chamber that the Committee on Customs Technique of the International Chamber was entrusted to find practical remedies for the difficulties met with by export trades and industries as the result of the existing Regulations and requirements with regard to Marks of Origin, and requested the Committee to furnish them with concrete instances indicating difficulties experienced by Indian exports re: regulations in this connection. The Committee sent on 1st October, to the Indian National Committee a Note re: correspondence exchanged by them with the Government of India from 1922 onwards in regard to difficulties experienced by merchants on account of the defective provisions of the Indian Merchandise Marks Act re: Marks of Origin. The difficulties in short arose out of the absence of any provision in the Merchandies Marks Act to oblige the importers of foreign goods into British India to have marks of origin stamped on such goods with the result that many a time foreign piecegoods and other articles were palmed off as Indian goods in the local markets. The Committee cited concrete instances of foreign Dhotis, Sareees, Matches, Electric bulbs etc. palmed off as Indian made goods.

Forms Nos. 119 and 120 for Certificates of Origin for goods exported to the United Kingdom under the Ottawa Preference Scheme.

The attention of the Committee was drawn by some merchants to difficulties experienced by them in regard to the insistence of certain requirements by the British Customs

authorities for certificates of origin under the Ottawa Preference Scheme. The Committee thereupon addressed the Government of India on 30th October, pointing out that there were two Forms of Certificates of Origin, viz., D119 and E120. Form 119 was used only for some specific produce such as Chicory, cocoa, coffee, fresh and dried fruits, soaps, silks, spirits, sugar, etc., while Form 120 was used for other produce and manufactured goods. According to Form 119, the certificate of origin for goods exported to the United Kingdom requires to be signed by the proprietor, or special official, or grower, or producer or supplier as the case may be; according to Form 120, it has to be signed by the proprietor, partner, special official or producer of the Goods. On the other hand, the Committee observed that certificates of origin for goods exported from the United Kingdom to the various Empire countries including India could be signed by the Manager, Senior Clerk, or manufacturer or supplier as the case may be. From this it would be obvious that while the shippers in the United Kingdom were not obliged to disclose the sources of their supply, the shippers in India had to supply all these particulars, which in the opinion of the Committee, adversely affected the interests of Indian shippers. Moreover, it was not possible for the Indian shipper to obtain the names of original producer of produce and other articles which they export in large quantities to the United Kingdom. The Committee felt that there was no reason why the forms used by the Indian shippers should be different from those used by the British shippers. They, therefore, requested Government to modify the former forms so as to suit the needs of the Indian shippers.

In this connection, the Committee also drew the attention of Government to the difficulty experienced by the Indian shippers in obtaining these Forms in India. These forms were not available at all in India, and had to be specially indented for from London, which caused considerable delay and inconvenience to Indian merchants. The Committee therefore suggested that Government should arrange for having these Forms printed in India, so that

they could be made available to merchants in this country without any delay and inconvenience.

Method of valuing goods taxable ad valorem.

The Indian National Committee of the International Chamber of Commerce, Calcutta, informed the Committee by letter dated 16th September, that the International Chamber had entrusted their Committee on Customs Technique with the work of taking up an enquiry regarding method of valuing goods taxable ad valorem as it was felt that the present diversity of practice and legislation in this respect was a serious obstacle to the smooth working of international trade, and to collect full particulars of the system of valuation employed in foreign countries. The Committee of the Chamber were requested to furnish such information as might be available on the same. In reply they informed the Indian National Committee on 6th October, that the method of valuing goods on an ad valorem basis in India was unsatisfactory inasmuch as the duties were levied on the basis of prices ruling at the time of the arrival of the goods, while merchants might have actually paid lower prices. In view of the wide fluctuations obtaining in the markets, the merchants were being adversely affected, they being called upon to pay much higher duties then what they would be liable to pay if the alternative basis of invoice values were in force.

Interview with the Director General of Commercial Intelligence & Statistics regarding Annual Revision of Tarriff Values.

The Import-Export sub-Committee of the Chamber had an interview with Dr. J. Mathai, Director General of Commercial Intelligence & Statistics on Saturday, the 21st November 1936 when the various proposals regarding fixation of Tariff values for the year 1937 were discussed.

Annual revision of the list of articles specified in the Sea-borne trade returns of British India.

The Director General of Commercial Intelligence and Statistics invited, early in the year, suggestions from the

Committee regarding any additional items, the separate specification of which in the trade returns was, in their opinion, indispensable.

The Committee after consulting the various interests concerned, suggested to the Director General the separate specification of the following additional articles in the returns:–

1. Flash-lights, including torch cases, and pocket lamps.
2. Hand-pumps, centrifugal pumps, bed-steads and phinol.
3. Teizels, used in the woollen industry for raising fibres.
4. Inks:—
   (a) Printing (including litho, letter-press, news and coloured).
   (b) Writing Inks.
5. Machineries:—
   (a) Printing Press Machineries.
   (b) Lithograph Press Machineries.
   (c) Bookbinding Machineries.
6. Printing Press Materials.

Annual revision of the list of articles specified in the Seaborne Trade Returns of British India.

The Director General by a further letter dated the 13th November 1936 informed the Committee that the annual revision of the list of articles to be specified in the Sea-borne Trade Returns of British India was now under consideration and that the Department would be glad to receive suggestions regarding any additional items the separate specification of which in the trade returns would, in the opinion of the Chamber, appear to be indispensable.

The Committee in reply wrote to the Director General on 9th December 1936 suggesting that the present classific-

ation of German Silver including Nickel silver should be split up and German Silver circles, sheets and wire should be separately specified in the monthly as well as Annual Sea-borne Trade Returns of British India. These metal goods were imported for use in different industries and it was essential that these indigenous industries should get separate statistics for imports of these articles.

Proposal to re-introduce tariff values for silks imported from China and Japan.

The views of the Committee were invited by the Director General of Commercial Intelligence and Statistics, Calcutta, by letter dated 17th September, regarding proposal to re-introduce tariff values for silk piecegoods imported from China and Japan. Upto 1934 these goods were assessed to import duty on tariff values fixed on them. These values were abolished in 1934, and with effect from 1933 the goods were being assessed on an ad valorem basis. As considerable difficulties were experienced at certain ports in assessing these goods on an ad valorem basis, it was proposed to re-introduce tariff values for the same with effect from 1937. The Committee in reply informed the Director General on 10th October that while they had no objection to the proposal to re-introduce tariff values for the goods coming from China and Japan they were of opinion that not only plain silk piecegoods but silk piecegoods of all kinds should be included in the new proposal. They also suggested that the grouping of the different varieties of silk goods should be made as comprehensive as possible for purposes of assessment, so that the cheaper varieties might not be subjected to high tariff values on account of their being grouped with finer and costlier varieties.

Proposed deletion of the Tariff-valued heads 'Gum Ammoniac' and 'Gum Bysabol' (coarse Myrrh) from the Tariff Classifications.

The views of the Committee were invited by the Director General of Commercial Intelligence and Statistics

by his letter of the 10th August 1936 on the proposal to delete the tariff valued heads "Gum Ammoniac" and "Gum Bysabol" from the tariff valued list, the reason being that the trade in these articles was very insignificant. The Committee in reply informed the Director General that they had no objection to the proposed deletion.

Classification of Transformer Oil.

It would be recalled that in December last, the Committee addressed the Central Board of Revenue requesting Government to classify Transformer Oil as component part of machinery under item 72 (3) of the tariff to be assessable at 10 per cent instead of the present 25 per cent.

The Committee were, in reply, informed that Government were unable to accept their proposal to assess Transformer oil at the lower rate.

Amendment of the Tariff-valued head re: 'Rosin'.

The Director General of Commercial Intelligence and Statistics informed the Committee that owing to the reported difference in the prices of wood rosin and gum rosin, it had been suggested that the existing tariff-valued head "Rosin" should be split up and two separate tariff values should be fixed for "wood rosin" and "Gum Rosin". It appeared however that the distinction between the two kinds which the imposition of separate tariff values would necessitate would except on the basis of the relative colour and transparency, result in practical difficulties in the classification for assessment. It was therefore proposed as a remedy that the tariff value for rosin should be abolished and that rosin should in future be assessed on an *ad valorem* basis. The views of Committee were invited on the above proposals by his letter of the 5th August.

The Committee in reply informed the Director General that they had no objection to the proposal.

Amendment of the Tariff-valued head re : "Banslochan" (Bamboo Camphor).

The Director General of Commercial Intelligence and Statistics informed the Committee on 5th August 1936 that with a view to make it clear that the tariff-value applied only to Banslochan in the crude form, it had been proposed that the existing head "Banslochan (Bamboo Camphor)" should be qualified by the addition of the word "crude". The Committee informed the Director General that they had no objection to the proposal.

Proposed additions and alterations in the existing tariff-valued heads.

The views of the Committee were invited by the Director General of Commercial Intelligence and Statistics on the following proposals :—

(1) Chanks— to fix tariff values for

"Chanks— per 1000

Chanks sound live—

Chanks sound dead—

Other sorts—"

(2) It was proposed that to the tariff-valued head "Mineral oil which has its flashing point at or above 150° degrees Fahrenheit's thermometer etc." the words "In tank steamers" be added so that the classification might be quite clear and no room for dispute regarding the consignments in drums which were not assessable under this item.

(3) It had been suggested that the tariff-valued head "Camphor, refined, other than powder" was not sufficiently explicit in that it did not definitely exclude synthetic camphor. It was therefore proposed to amend

it to "Camphor, tablets and slabs other than Synthetic" and recast the head as follows:—

"Camphor, Synthetic—

(*a*) Powder

(*b*) In slabs and tablets

Camphor, other than Synthetic—

(*a*) Powder

(*b*) In slabs and tablets".

(4) As there was a recognised standard of quality for tennis balls their assessment on a tariff-value would be convenient. It was therefore proposed to fix a tariff-value for the same.

(5) The tariff-value of "Vegetable Product" (excluding hardened cocoanut oil) was fixed at a time when large imports were being made in 40 lb. tins. As imports of this article had considerably declined and at present were mainly in small containers for retail sale the need of a tariff-value was no longer felt and it was proposed to delete this item from the tariff-valued list.

The Committee in reply informed the Director General of Commercial Intelligence and Statistics, by their letter of 17th and 24th September as follows on the above proposals.

With regard to proposals (1) to (3) the Committee had no objection to the same.

With regard to (4) the Committee were not in favour of the proposal and suggested that the present method of assessing tennis balls at an ad valorem basis should be continued.

With regard to (5) *i. e.*; Vegetable product, the Committee were strongly opposed because they were afraid that if Government were to remove the product

from the tariff-valued list it would facilitate the imports of Japanese lower-priced fish oil as also of vegetable product from Japan and European sources. The Indian Vegetable Product industry was already working under definite disadvantages and the difficulties would be greatly increased if Government were to put their proposal into force. The Committee therefore trusted that Government would drop the proposal in the interests of the Indian industry.

Amendment of the tariff-valued head : " Gum Arabic, other than ground ".

The views of the Committee were invited by the Director General of Commercial Intelligence and Statistics, by letter of 8th September, re : the above. It was stated that with a view to making all Acacian gums assessable under one tariff-value it had been proposed that the head "Gum Arabic, other than ground" should be amended to read "Acacian gums, other than ground, including gum Arabic, gum Senegal and gum African".

The Committee in sending their views on 23rd September, stated that they had no objection to the above proposal.

Reduction of Import Duty on Diamonds.

The Committee sent a telegram to the Government of India in regard to the representation made by the Bombay Diamond Merchants Association re : reduction in import duty on diamonds. The Committee felt that the present high scale of duty involving extensive and systematic smuggling was harmful to Government revenue and also to honest and bona-fide merchants who had paid full duty on their stocks. The Committee favoured normally heavy duty on luxury articles but the situation with regard to diamonds demanded either serious reduction of duty as in other countries, or some other drastic measures to safeguard Government revenue and protect lawful trade in diamonds against the activities of smugglers.

Government subsequently announced reduction in the import duty on diamonds from 25 per cent to 10 per cent.

Import duty on wheat.

As fears were expressed that a move to either reduce or remove the import duty on wheat was on foot the Committee of the Chamber instructed their representative in the Legislative Assembly that if any such proposal was brought before the Assembly, he should oppose the same and should press for the continuance of the duty.

Reduction of Import Duty on "Teazles".

At the request of a member, the Committee addressed the Central Board of Revenue in regard to the assessment of "Teazles", under item No. 87 of the Tariff Schedule to duty of 25 per cent. The Committee observed that it was not right to assess "Teazles", at 25 per cent, because it was nothing else but one of the articles of millstores which were assessable at 5 to 10 per cent. This heavy duty on Teazles which were used by the indigenous woollen industry for raising fibres proved an avoidable burden on the industry which was passing through critical times. The Committee, therefore requested the Central Board of Revenue to assess Teazles on the same basis as millstores, and not under item No. 87 as at present.

Inadequate depreciation allowance for Refrigerators under Incometax Rule 8.

The Committee addressed the Central Board of Revenue in June last asking for a change in the percentage of depreciation allowed for Refrigerators from 7½ to 20 per cent under rule 8 of Income-tax Rules 1922. In reply the Committee were informed by the Central Board of Revenue on 31 August, that the matter would be finally decided after the receipt of the recommendations of Expert Advisers to Government on income-tax matters on the general question of depreciation allowances.

Exemption of Town Duty on Tallow imported by the Bombay Mills.

The attention of the Committee was drawn by a member to the fact that the Bombay Municipality had recently begun to collect Town Duty on tallow imported for their use by the Bombay mills. It appeared that the Municipality were collecting duty under the Schedule H of the Bombay Municipal Act, which was amended to include therein, by the Bombay Act XIII of 1932, Ghee substitutes, the Municipality interpreting tallow as one of the ghee substitutes. The Committee were requested by the member to address the Municipality to secure exemption from Town Duty on tallow imported by the mills for their use, because there was not the slightest possibility of such tallow passing on to other hands.

The Committee thereupon requested their representative in the Bombay Municipality to take up the matter with the Municipal authorities with a view to securing the redress asked for.

Proposal to levy Town Duty on foreign cloth and yarn and factory made cloth and yarn.

The views of the Committee were invited by the Bombay Municipality on the proposal before the Municipal Corporation as regards the advisability of amending the Schedule of the Municipal Act, so as to include therein foreign cloth and foreign yarn and factory made cloth and factory-made yarn as articles liable to payment of Town Duty. The term foreign cloth and yarn or factory-made cloth and yarn includes cloth and yarn or textile fibres such as cotton, hemp, jute, flax, silk, artificial silk, and wool.

The Committee in forwarding their views to the Municipality; observed that they had all along been opposed to the levy of Town Duty and therefore could not

favour the extension of the principle of Town duty now to other articles, besides those which were already on the Schedule. The suggestion to include cloth and yarn in the Schedule was specially objectionable as it would not only inflict a penalty on foreign cloth and yarn but also on mill-cloth and yarn made in India and coming from outside stations to the City of Bombay without any corresponding advantage being gained from it. Bombay Port had suffered immensely from the diversion of its trade to other ports and the suggestion to impose an additional town duty on cloth and yarn would have, in the opinion of the Committee, the effect of further accentuating this diversion. Under these circumstances the Committee hoped that the Municipality would not accept the suggestion made to them.

Refund of registration fees on motor vehicles paid under the old rates.

With the coming into force of the revised scale of charges for registration of motor vehicles as laid down under the Motor Vehicles Act, 1935, the fees paid under the old scale for the unexpired period, namely April to August 1936, of registration had to be refunded. In this connection it was complained to the Committee that the method adopted by the Police for calculating such refunds was not proportionate to the registration period. The Committee therefore addressed a letter to the Superintendent, Motor Vehicles Department, pointing out the unfairness of the calculation adopted by the Police and suggesting that proportionate refund should be made.

In reply, the Dy. Commissioner drew the attention of the Committee to Section 21 of the Bombay Motor Vehicles Tax Act, 1935 under which such refunds were granted.

The Committee thereupon addressed the Government of Bombay, Home Department, requesting them to amend Section 21 of the Motor Vehicles Tax Act, 1935 with a view to allow proportionate full refund of registration fees of motor vehicles.

In reply, the Committee were informed that the present practice of giving refunds was in accordance with Section 21 of the Act.

Reduction in Electricity Charges in the City of Bombay.

The Committee addressed the Bombay Electric Supply & Tramways Co., Ltd., stating the reductions in the tariff announced by the Company some months back were not adequate. They pointed out that the basic rates were still very high, that the reductions effected were merely nominal in so far as a very large number of consumers concerned. Bombay was a large commercial and industrial centre with no small potentiality for considerable expansion and consumption of electrical energy both for domestic and industrial purposes, provided the policy of fixing the rates was based upon advanced and progressive principles of rating, directed towards encouragement of the use of electrical energy.

The B E. S. T. Company in reply, observed, that it was the general policy and the fixed determination of the Company to share any prosperity of the Company with the consumers, and in pursuance of that policy the rates charged for electrical energy had been several times reduced since September 1933. The Committee in reply pointed out that even with all these reductions the small consumer had not benefitted. They suggested that the minimum comsumption limit should be reduced from 32 to 20 units per quarter, and also pressed for putting the proposed reductions into effect from 1st April instead of 1st July 1936.

In reply, the Company observed that they regretted that at present they could not meet the wishes of the Committee with regard to small consumers and pointed out that many of the small consumers were even now supplied at a loss to the Company.

III.—TRADE AND INDUSTRIAL LEGISLATION.

Revision of the Indian Companies' Act.

The attention of the Committee had been drawn to a statement made by the Hon'ble the Law Member in the Assembly on 4th February regarding introduction of a Bill to amend the Indian Companies' Act in the current sesssion of the Assembly. The Committee thereupon addressed the Government of India, requesting them to publish the Report of the Special Officer, on which presumably the amending Bill would be framed. Government were no doubt aware that the various Chambers of Commerce and commercial association had been agitating for a long time for early revision of the Indian Companies' Act. It was but fair that Government should publish Mr. Sen's (Special Officer) report, along with the Bill to enable the public to better appreciate the conclusions reached by Government. The Committee also requested Government to make available at an early date to the public the proceedings of the informal Committee which examined Mr. Sen's report, and the tentative conclusions of Government on the same. If these proceedings as a whole had to be treated as confidential, the Committee hoped that Government would have no objection to publish such extracts therefrom as would enable the commercial community to appreciate the various aspects of this important question urged by the informal Committee.

It appeared from the above statement, that Government intended to refer the Bill, soon after its introduction to a Select Committee. In view of the importance of the subject, the Committee urged that facilities should be provided for representatives of various interests concerned to tender oral evidence when the Bill under consideration by the Select Committee.

The Committee also requested Government to publish the Report of the Special Officer on the question of the Insurance Legislation in India, which, it was understood he had submitted to Government.

Indian Companies' Act Amending Bill.

The views of the Committee were invited by the Government of Bombay on 6th May 1936 on the Bill, introduced by Hon'ble the Law Member in the Legislative Assembly, to amend the Indian Companies' Act, 1913.

After carefully considering the Bill, the Committee in forwarding their views on 20th June 1936 to Government observed that they naturally welcomed the Bill, as they had been pressing for the last several years for a through overhauling of the Indian Companies' Act.

With regard to the Clause relating to the Managing Agency, the Committee recognised that the Managing Agency system had done a lot of good to commercial and industrial enterprises in the country; but at the same they could not overlook the fact that the misuse of their powers by some of the Managing Agents led to failures of several concerns and loss to the shareholding public with the result that the investing public had become shy of going in for any joint stock enterprise. The only way out of the difficulty was, in the opinion of the Committee, to so shape the Indian Companies' Act Amending Bill as to keep the salient and healthy points of the Managing Agency system, while at the same time taking care that the Managing Agents were not able to use their powers and position to the injury and perhaps the ruin of the interests of the investing public.

With regard to the provision in the Bill of 20 years as the time limit for Managing Agency, while approving of the principle of the limiting of the period, the Committee suggested 30 years instead of 20 years, as the latter period

would not be deemed sufficient to make a success of large enterprises, specially highly developed industrial enterprises.

With regard to the provision re: remuneration for Managing Agents, the Committee approved of the proposal to fix the same on a percentage basis of net profits of Companies.

Committee also welcomed the provision for minimum working capital before the commencement of business by companies, *viz.*, 33⅓ per cent of the share capital offered to the public for subscription, as based on sound fundamentals of industrial finance and in the interests of Industrial Development.

With regard to the Clauses relating to banking business, however, the Committee regretted that Government did not take any steps to implement the recommendations of the Central Banking Enquiry Committee. If there was any necessity to amend the Indian Companies' Act, there was in the opinion of the Committee a still greater necessity felt for placing on the statute-book a fully comprehensive legislation to regulate banking in the country. The Clauses in the Bill dealt only perfunctorily with banking business, and did not touch important issues, such as Licensing of Banks and restrictions on the activities of foreign banks, etc. The Committee, therefore, drew the attention of Government to the utter inadequacy of the provisions in the Bill and pressed once again upon the Government to undertake a comprehensive banking legislation as soon as possible.

The detailed representation of the committee, containing their views and suggestions on the various other Clauses of the Bill has already been published in the Press.

Bill to amend the Indian Motor Vehicles Act, 1914.

The Government of India introduced, in the September session of the Assembly, a Bill to amend the Indian Motor Vehicles Act, 1914. It was observed in the Statement of Objects and Reasons that the Act of 1914 was formed

to suit the conditions prevailing at a very early stage in the development of motor transport of India. The rapid growth in this form of transport in these 22 years made it necessary to empower Local Authorities to exercise a closer control, than at present permitted, in the interests alike of a co-ordinated policy of Roads and Railways, and of the safety and convenience of the public. The present Bill was the outcome of the discussions at the meeting of the Transport Advisory Council held in July last between the representatives of the Government of India and various Provincial Governments.

Among the Important Clauses of the Bill, Clause 3 gives Local Governments discretion as to the Authority to be appointed, powers to be exercised by them and classes of Public transport motor vehicles to be controlled; it also gives power to local Governments to limit the number of such public transport vehicles of any specified class to be used, or on any specified routes, and also to fix the limits of the rates to be charged for goods and passenger traffic. Clause 4 provides for inspection, fixations of stations etc. Clause 6 gives power to Local Governments to cancel or suspend Road Service permits and make disqualifications.

The Committee after carefully considering the Bill, addressed the Government of India on 4th September, protesting against the Bill as it stood. They observed that it was true that the Raiiways had not been recently getting that revenue which they were expected to, but it was wrong to suppose that this was entirely due to the competition of motor traffic. Although there was competition from motor traffic, sufficient figures and facts were not adduced to show that, that competition was largely responsible for the serious decline in the railway earnings. On the other hand, it was the advent of cheap and democratic motor buses and lorries which opened up the country and conferred immense boons on agriculture and small industries by linking the agricultural districts with nearby towns and cities. Several horticultural products like vegetables etc. were practically thrown away on account of the absence of

any facilities for taking them to consumers in towns and cities where they could fetch the normal market price. The motor buses and lorries made it possible to get all this stuff to towns and cities and specially on days of weekly fairs etc. benefiting thereby the agricultural industries to a large extent.

The Committee also referred to the short sighted policy adopted by the railways of increasing the railway freight and rates to improve their revenues. In comparison with all this the motor buses and lorries were found to be cheap by the public at large.

After having expressed these views against the general scope and purpose of the Bill, the Committee offered the following criticism on the different provisions of the Bill:—

With regard to Clause 3, the Committee suggested that the constitution and composition of the Transport Authority should be clearly defined, viz. as to what interests shall be and what interests shall not be represented on the Transport Authorities. Care had, however, to be taken to see that these Transport Authorities were not dominated by Railway interests, and that the latter had no say in the matter of granting permits. The Transport Authority should be authorised to fix only the maximum rates for carriage of goods and passengers.

With regard to Clause 4, re: stations for motor buses, the Committee suggested that the Transport Authority should depend more or less on the suggestions of the Associations of motor owners. With regard to third person's risk in insurance etc. Government should give an undertaking that no discrimination would be applied against any particular company or companies from under-writing such business.

After some discussion in the Legislative Assembly, the Government of India accepted the proposal to circulate the Bill and to invite views of public bodies before 31st December 1936. Subsequently the Bill was circulated for

eliciting public opinion, and the Committee reiterated generally their main objections to the Bill, as communicated in September.

Proposed Amendment of the Indian Tea Cess Act.

The views of the Committee were invited by the Government of India on the question of amending the Indian Tea Cess Act on the application of Indian Tea Association it was proposed to :

1. Alter the rate of duty leviable on tea exported from annas 12 to Rs. 1/8 per 100 lbs. maximum and

2. Change the name of the Cess Committee into the Indian Tea Marketing Expansion Board of Bureau and to consist of 25 members, instead of the present 20; four of the additional seats to go to the Tea Planters' Associations of Assam, South India and North Bengal, and the fifth to the Federation of Indian Chambers of Commerce & Industry.

The Committee of the Chamber in expressing their views on the above proposals observed that last year they had opposed the proposal to increase the Tea Cess from annas twelve per 100 lbs. As the tea trade, both European and Indian, was now in favour of the proposal, they would have no objection to the same. They would like however to be assured that the expenditure by new Board would be increased after full and proper consideration and that Indians would be employed in higher capacities in the administration of the same. Subsequently in December 1936 the views of the Committee were invited on a proposal to fix the cess on tea produced in India and exported therefrom Rs. 1/4 per 100 lbs. The Committee in reply informed Government telegraphically that they had no objection to the proposal.

Compulsory insurance of light motor vehicles against third party risks.

The attention of the Committee was drawn to a notification issued by the Government of India requiring

compulsory insurance of heavy motor vehicles against third party risks. In this connection it was suggested to them that light motor vehicles should also be compulsorily insured as the risk from accidents arising from such vehicles was equally great. The Committee were in agreement with this suggestion and accordingly addressed the Government of Bombay to extend the principle of compulsory insurance against third party risks to light vehicles also.

In this connection they also recommended to the Government that steps should be taken to ensure that the tariff adopted for such insurance was not unnecessarily high and that it should be laid down that such insurance should be with companies registered in India.

Bombay Cotton Contracts Act Amending Bill.

Towards the end of last year a Bill was introduced by Sirdar Rao Bahadur Bhimbhai R. Naik, in the Bombay Legislative Council, to amend the Bombay Cotton Contracts Act, 1932. The object oft he Bill was to provide for unitary control in the cotton trade in Bombay in the better interests of that trade and to avoid inordinate speculation.

The Shri Mahajan Association, Bombay, addressed the Committee in this connection, pointing out that if the above Bill was passed into law it would put an end to the freedom of trade and would create monopoly in cotton trading for the East India Cotton Association, Ltd., to the great prejudice of the small traders, the agriculturists and the public in general. The Mahajan Association, therefore, requested the Committee to support their views with regard to the Bill.

The Committee thereupon invited the representatives of the East India Cotton Association and the Shri Mahajan Association to an informal conference to discuss the subject and if possible to bring about some compromise between the two Associations in the matter. After considerable dis-

cussion at the informal Conference, it was agreed that the Chamber's representative in the Bombay Legislative Council should be requested to move for postponement of consideration of the Bill, and in the meantime the Governor-in-Council should be requested to examine the feasibility of having the constitution of the East India Cotton Association amended with a view that while unitary control in the cotton trade of Bombay was achieved under that constitution the interests of those in the cotton trade who wished to deal in small units were duly safe-guarded by suitable amendments in the Articles of Association of the East India Cotton Association and its Bye-laws.

Accordingly, Mr. L. R. Tairsee, the Chamber's representative in the Legislative Council gave notice of motion for postponement of consideration of the Blll. Mr. Tairsee's amendment was subsequently passed by the Legislative Council.

At a subsequent session of the Bombay Legislative Council, the Bill was withdrawn by the mover with the consent of the House.

Proposed Amendments to the Bombay City Municipal Act, 1888.

The views of the Committee were invited by the Government of Bombay by their letter dated 22nd July 1936 on the draft amendments proposed by the Municipal Corporation to the City Municipal Act, 1888. The Corporation proposed to amend Sections 15, 30(1) and 31(1) of the Municipal Act with a view to revising the procedure laid down for the election of Councillors by the fellows of the Bombay University and a Chamber or Association.

The Committee in communicating their views on 20th August informed Government that the effect of the proposed amendments to the City Municipal Act so far as this Chamber was concerned, would be that candidates would have

to be residents in the City of Bombay prior to the election for six months. While the Committee had no objection to a residential qualification being laid down for candidates, they were of opinion that candidates who had their places of business, profession or occupation within Municipal limits of Bombay should also be deemed to satisfy this qualification.

As regards voters, the Committee were strongly of opinion that no residential qualification should be laid down for them. They hoped that the changes suggested by them would be incorporated in the proposed amendments.

Proposed amendment of Section 17 of the City of Bombay Municipal Act, 1888.

The views of the Committee were invited by the Government of Bombay, by their letter of the 1st September, on the amendment of Section 17 of the City of Bombay Municipal Act, as proposed by the Millowners' Association, Bombay. The Millowners' Association on sending their views on the Bill to amend the City Municipal Act had taken an opportunity to suggest an amendment to section 17 of the Act to the effect that a Councillor elected by the Indian Merchants' Chamber or the Millowners' Association should cease to hold his office as such on his ceasing to be a member of the organisation which was responsible for his election.

The Committee in forwarding their views on 9th September, informed Government that they had no objection to the proposed amendment of Sec. 17 of the City Municipal Act.

Proposal to Amend the Law relating to Insolvency in British India.

The views of the Committee were invited by the Government of Bombay by their letter dated 17th July 1936 on certain proposals before the Government of India to amend the law relating to Insolvency in British India.

The Committee in communicating their views on the 19th August 1936 observed that they agreed with the suggestion that the burden of proving that the transfer was made in good faith and for valuable consideration must be on the transferee under Sections 55 of the Presidency Towns Insolvency Act and 53 of the Provincial Insolvency Act. They further suggested that the same principle should be extended to Sections 56 of the Presidency Towns Insolvency Act and 54 of the Provincial Insolvency Act by throwing the burden on the creditor in whose favour the preference was given.

The Committee also agreed with the suggestion that instead of the word "void" the word "voidable" should be substituted in Section 55 of the Presidency Towns Insolvency Act.

In this connection the Committee wished to make it clear that a *bona fide* transferee of any property or asset from the insolvent who could demonstrate to the satisfaction of the Court that the transfer was *bona fide* and for consideration should have re-imbursed to him the cost incurred by him in that connection.

The Committee also agreed to the other suggestion that a certificate from the Court to the effect that the accused was an undischarged insolvent should be conclusive evidence of that fact.

Legislation to provide for compulsory registration of lis pendens.

The views of the Committee were invited by the Government of Bombay by letter dated 2nd October, on a reference from the Government of India in connection with legislation to provide for compulsory *lis pendens*. It might be recalled that the Committee had addressed the Government of India, along with other commercial bodies and the Federation of Indian Chambers of Commerce and

Industry, in 1935, in regard to this matter. The Government of India in their present communication pointed out that they had considered the question in 1929 when the last revision of the Transfer of Property Act was undertaken. It was then urged on the one hand that the Government of India, following the English Law on the subject, under which the transferee was not affected by a pending suit unless it was registered and re-registered every five years, should adopt a provision on the same lines; on the other hand it was argued that (1) few people in this country had sought to register their decrees, (2) that the adoption of such a course would mean more costs to parties, aud (3) that it would require development of the registration system in this country. In view of repeated requests the Government of India, however, considered the question afresh recently and invited views of the various commercial bodies on the same. The Committee in reply informed Government that as there was no alternative to the course originally suggested by them in 1935, they were of opinion that Government should undertake necessary legislation to provide for compulsory registration of *lis pendens*.

Amendment of Clauses 12 & 14 of Letters Patent of the Bombay High Court.

It would be recalled that since 1929, the Committee had been pressing upon Government the amendment of Clauses 12 and 14 of the Letters Patent of the Bombay High Court, so as to confer specifically on the High Court jurisdiction to the right to entertain suits re: mortgage of property outside Bombay Presidency. Last year the situation had been aggravated on account of the decision of the Court of the Nagpur Judicial Commissioner which refused to execute a Decree of the Bombay High Court. The Committee thereupon represented again to the Government of Bombay for suitable amendments to Clauses 12 & 14 of the Letters Patent; and requested the Government of India to give such amendments retrospective effect and to validate the Decrees

which had already been passed by the Bombay High Court in respect of property situated outside the Presidency.

It is now gratifying to note that the Government of India have introduced in the Assembly on the 6th March 1936 a bill with the object of giving validity to Decrees passed by the Bombay High Court on the authority of the relevent Clauses of the letters Patent. The Committee were further informed by the Government of Bombay that the Government of India had addressed the Secretary of State for Inrdia on the question of amending the Clauses of the Letters Patent of the Bombay High Court and his reply was awaited.

Bombay High Court Rule re: Commercial Causes.

The attention of the Committee having been drawn to a recent decision of Mr. Justice Kania interpreting Rule 199 of the Bombay High Court re: commercial cause suits which was likely to affect the whole course of commercial litigation in Bombay, the Committee addressed a representation on 10th October 1936 to the Registrar and Prothonotary of the Bombay High Court, pointing out that the above decision of Mr. Justice Kania No. 1000/36 narrowed down considerably the scope of Commercial causes and if rigidly adhered to would result in a number of cases involving simple commercial transactions such as cases relating to commission agents in relation to their constituents etc. not being entertained as commercial causes. This would naturally result in considerable delay and would mean great inconvenience and expenditure to the commercial community as a whole. The remedy seemed to be, in the opinion of the Committee, that the present Rule governing commercial causes should be sufficiently widened so as to include all transactions of a commercial and business nature. The Committee therefore suggested that Rule 199 of the High Court be amended as under:—

"199. Commercial Causes include causes arising out of ordinary transactions of merchants, bankers, traders,

principals, agents, brokers and adatias; amongst others those relating to the construction of mercantile documents, export or import of merchandise affreightment carriage of goods by land, insurance, banking and mercantile agency and mercantile usages including also those relating to the claims of agents pucca and katcha adatias and brokers against their constituents and vice versa and also include causes arising out of transactions of purchase and sale of goods between merchants and merchants and/or merchants and their customers."

The Committee hoped that the Hon'ble the Chief Justice and the Judges of the High Court would be pleased to accept this suggestion of theirs.

The Committee also brought to the attention of the Hon'ble the Chief Justice the necessity for appointing a Commercial Causes Judge from the Indian Bar, who should have ample experience and knowledge of commercial suits during his legal career in the High Court, as such an appointment would be greatly assisting the satisfactory disposal of Commercial Causes.

New and additional denominations under the Bombay Weights and Measures Act, 1932.

The views of the Committee were invited by the Director of Industries, Bombay, by his letter dated 3rd November 1936 on the proposed new and additional denominations under the Bombay Weights and Measures Act, 1932. The proposed denominations under the Weights and Measures Act related to the weights in gold, silver, precious stones trade, Liquor and drug trade, Apothecaries Trade (liquid and weights), weights, dry measures, liquid measure, length and area and volume.

The Committee in reply addressed the Director of Industries on the 9th December pointing out that with regard to the proposed Rati for gold, silver and precious

stones trade, that in the bullion trade in Bombay a tola was sub-divided into 40 vals, and under ¼ tola the weights were declared as ¼, ½, ¾, 1, 2 and 3 vals etc. Rati was generally not used in weighing bullion at all, but in rare cases when Rati was used one Val was considered to be equal to 3 Ratis. This, however was not the same Rati as was now proposed by Government which was equal to 1/64 tola. The Rati according to the bullion trade was equal to 1/120 tola. The Committee therefore requested Government to be pleased to take this fact into consideration before finally fixing the Rati for the bullion trade.

With regard to the other denominations under reference, the Committee had no suggestions to offer.

Draft Rules under the Motor Vehicles Tax Act, 1935.

The views of the Committee were invited by the Superintendent of Police, Motor Vehicles Department, Bombay, on the above rules. The Committee in expressing their views thereon observed that :

With regard to Rule 20, they were of opinion that a Police Officer of atleast the rank of a Sub-Inspector should alone be empowered to stop a motor vehicle with a view to ascertain whether the tax was paid or not.

With regard to Rule 21(*a*) (1), the Committee suggested that a nominal penalty of Rs. 2/- should be quite sufficient for an offence of the nature under reference.

With regard to Rule 21(*a*) (2), the Committee suggested that the penalty for the offence under this Sub-rule should be reduced to 1/16 of the annual tax, instead of the proposed ⅛.

With regard to Rule 23, the Committee observed that atleast 15 days period should be allowed to owners of motor vehicles visiting Bombay Presidency within which to make declarations to the registering authority.

The Committee in this connection requested the Superintendent of Police to enlighten them whether motor vehicles belonging to Indian Princes and plying regularly in Bombay would come under the operation of the rules under reference.

Sugar Production Rules, 1935.

In June 1934 the views of the Committee were invited by the Government of Bombay on the draft Sugar Production Rules, 1933, framed by the Governor General in Council under Section 5 of the Sugar Industry Protection Act 1932. Clause 4 of the draft rules provided for submission by sugar factories of yearly returns containing detailed specification of the entire plant in use for the manufacture of sugar and showing separately any addition or alteration made thereto during the year. In view of the criticism to that clause offered by certain Local Governments, it was now decided that a form should be prescribed for such returns and that the rule should be revised so as to provide that only the first return should contain all the particulars prescribed in the form, while returns for subsequent years would give only the addition or alteration made since the submission of the previous returns.

The Committee at that time had made a similar suggestion, and they therefore now approved of the revised rules.

The Committee appointed by the Government of Bombay to consider the question of framing a Pharmacy Act for the Bombay Presidency.

The Government of Bombay informed the Committee that they had recently constituted a Committee to consider the question of framing a Pharmacy Act for the Bombay Presidency, the terms of that Committee being as follows:—

"The framing of a Pharmacy Act for the Bombay Presidency in so far as it relates to—

(*a*) Registration and training of druggists, pharmacists and compounders ;

(*b*) licensing and registration of shops or establishments in which pharmaceutical products or poisons are sold ;

(*c*) formation of a Pharmaceutical Society in Bombay, its constitution and powers ;

(*d*) adequate inspection of chemists and druggists shops or establishments.

The Committee of the Chamber were invited to nominate two representatives to serve on the Government Committee. The Committee nominated (1) Dr. M. Venkatrao (of Messrs. N. Powell & Co.,) and (2) Mr. B. D. Amin (of Alembic Chemical Works Co., Ltd., Baroda) as the Chamber's representatives for the purpose.

Co-ordination of Excise Rules and Regulations throughout British India and the Indian States.

The Attention of the Committee was drawn by the indigenous Pharmaceutical industry to the various difficulties experienced by the industry on account of the restrictions imposed by the different Provincial Government in India.

The Committee thereupon addressed the Government of India bringing these difficulties to their notice, and urging the necessity of co-ordinating Excise rules and regulations throughout British India and the Indian States, in the interests of free movement of the products of the industry. They made, among others, the following suggestions for the earnest consideration of Government:—

1. All Excise Rules and Regulations governing traffic in spirits and spirituous medicine and toilet preparations should be uniform in all the Indian Provinces and States.
2. Government should convene a Conference of representatives of the various Provinces and the Indian

States to discuss and adopt such inform Excise Rules and Regulations to hold good throughout India.

3. Governments of the different Provinces and the Indian States should take the representative Indian Chambers of Commerce and Commercial Associations into their confidence and frame the Excise rules in consultation with them.

The Government of India in reply on 22nd June 1936, pointed out that the matters referred to by the Committee were constitutionally within the control of Local Governments with whose discretion Government had no authority to interfere. The Government of India therefore regretted their inability to convence a Conference, as suggested by the Committee to discuss the question, unless invited to do so by the Local Governments themselves. The Committee thereupon addressed the Government of India again on 15th July 1936 observing that they recognised that the matters related to were within the control of the Local Governments. They, however, felt that several Provincial Governments, with a view either to develop their own industries or with a view to formulate some new policy of their own, had laid down rules and regulations which came in the way of free and unrestricted trade in medicinal and toilet preparations. The Committee were, therefore, of the opinion that it could only be the Central Government who could assist in setting right these irregularities, and for that purpose they urged once again the necessity of calling a Conference of representatives of the Provinces and Indian States to enable a co-ordinated policy in regard to Excise rules and regulations to be agreed to.

In this connection, the Committee also addressed some of the Provincial Governments requesting them to support their suggestion to the Government of India to convene such a Conference for co-ordination of policy regarding Excise rules and regulations.

The Government of India, by their letter of the 10th August 1936, informed the Committee that the correspondence exchanged on the subject had been forwarded to the Provincial Governments. They also observed that beyond that they could not do anything in the matter.

The Committee thereupon requested the Government of India, to keep them informed of the progress that might be made by the Provincial Governments in that direction.

Subsequently the Committee requested the representative of the Chamber on the Indian Legislative Assembly to move a resolution in 1937 Budget Session of the Assembly calling upon the Government of India to call a representative Conference with a view to discussing and formulating a co-ordinated policy of Excise rules and regulations throughout British India and the Indian States to facilitate free and unrestricted movement of products of indigenous pharmaceutical and spirit industries.

Draft Petroleum Rules, 1936.

The views of the Committee were invited by the Government of Bombay by letter dated 28th August on the draft Petroleum Rules 1936 under the Petroleum Act 1934. The new Petroleum Act was put on the statute book in 1934, and the draft rules under the Act were now framed in exercise of the powers conferred by Sections 4, 5, 14, 21, 22, and 29 of the Act. The Committee after carefully considering the Rules, in consultation with the interests concerned, addressed Government on 28th October, suggesting amendments to certain rules with a view to minimise undue restrictions on trade, impeding the free, safe movement of petrol and resulting in dearer prices for consumers, and hoped that the same would be accepted by Government.

Draft Rules under the Payment of Wages Act, 1936.

The views of the Committee were invited by the Government of Bombay by letter dated the 9th October

1936 on the draft Rules under the Payment of Wages Act, 1936. These rules laid down the procedure in regard to payment of Wages, maintenance of registers etc. They also laid down as to who would be authorised to impose and collect fines.

The Committee after carefully considering these rules, communicated their views on 18th December 1936 offering some amendments to some of the rules. With regard to Rule 8, the Committee felt that it would be difficult for most of the big industrial establishments as also small factories to comply with the requirements of this rule, namely putting up noticcs of dates of payment for not less than two months in advance of the days on which wages were to be paid. They therefore recommended that this should be looked into. In this connection the Committee drew the attention of Government to the fact that no provision appeared to have been made for altering pay days. The factories and establishments who complied with the general provisions of the Act should be permitted to change the pay day by giving previous notice to the Chief Inspector of Factories.

With regard to Rule 14, the Committee felt that the procedure laid down under this rule required reconsideration. It laid down that any person desiring to impose a fine on an employed person or make deduction for damage or loss should explain personally to the said person the act or omission or damage or loss in respect of which the fine or deduction was proposed to be imposed and the amount of the fine or deduction which it was proposed to be imposed and should hear his explanation in the presence of at least one other person. The Committee suggested that instead of the words "personal explanation" the words "or in writing" be added after the word "personally" and for the words "and shall hear his explanation in the presence of at least one other person" the words "and shall give him an opportunity of submitting an explanation in the presence of a witness" be substituted.

With regard to Rule 16 (1) the Committee failed to understand why there should be any exception in the case of an adult woman who caused damage to the work, machinery etc., or who lost any article entrusted to her. They therefore suggested that adult women employees should not be exempted from the operation of this rule.

With regard to Rule 16 (2) (*c*) and 16 (4) the Committee recommended deletion of these rules.

Rule 17 related to advances on wages not already earned. The Committee would like to know as to what was the position of advances against earned wages. The Committee felt that in fairness to industrial concerns the present practice of deducting advances from earned wages should be allowed to continue.

With regard to Rule 17 (2) the Committee were of opinion that an advance not exceedlng half a month's wages should be recoverable in one instalment and an amount in excess of half a month's wages should be recoverable in two instalments.

Draft Carbide of Calcium Rules under the Petroleum Act, 1934.

The views of the Committee were invited by the Government of Bombay on 3rd November 1936 on the draft Carbide of Calcium Rules under the Petroleum Act, 1934. The Committee after carefully considering these rules communicated their views to Government on the 8th December. They felt that the draft rules under reference were necessary, being reasonable and practicable in order to ensure not only the safety of those concerned in the handling of the article, but of the public in general. The Committee, however, made the following suggestions with a view to making these rules more practical to suit Indian conditions.

1. In order that employees working in concerns manufacturing carbide gas and also handling the same in

transportation etc., might know the serious risks to which they were exposed, if they did not properly observe the various safeguards and precautions on account of the dangerous character of the goods they were handling, employers should be obliged to put up in vernaculars copies of these rules in prominent places in their factories.

2. In draft rules 18-20 it should be specifically provided that all such storage should be above flood level, as any contact with water or moisture with Carbide of Calcium is very dangerous.

3. With regard to Chapter V, re: licenses, the License fees should be levied on a graduated scale, so that people holding license for small quantities may not be called upon to pay the same high fees as those holding license for considerable quantities.

Draft Hazardous Occupations (Lead) Rules, 1936.

The views of the Committee were invited by the Commissioner of Labour, Bombay, on 4th September, on the draft Hazardous Occupations (Lead) Rules, 1936 framed by the Government of India in exercise of the powers conferred by sub-section (4) of Section 33 of the Factories Act, 1934. These rules were framed with a view to providing sufficient safeguards against possibilities of lead poisoning among workers engaged in occupations involving mixtures containing compound of lead, and to oblige the employers to provide sufficient sanitary and other hygienic conveniences for preventing such cases of poisoning.

The Committee in forwarding their views on the 24th September, accorded their general support to the rules. They however made a few suggestions with a view to making these rules more practicable having regard to the conditions in India.

In the first place they suggested that Government should ask employers to place in prominent places instruct-

ions in principal vernaculars of the Provinces with regard to symptoms of lead poisoning and how to use the various conveniences and facilities provided for preventing or mitigating the same.

With regard to medical certificate of fitness the Committee suggested that the cetrificates should contain more specific particulars re: the health and fitness of workers instead of a general certificate of fitness provided in the Form.

Draft Amendments to Rules 63 and 77 of the Auditor's Certificate Rules, 1934.

The views of the Committee were invited by the Government of India, Department of Commerce, on the proposed draft amendments to Rules 63 and 77 of the Auditor's Certificate Rules, 1934, which related to payment of railway fares and daily allowances to members of the All-India Accountancy Board and of the Local Accountancy Boards, respectively.

The Committee in reply informed Government on 29th July, 1930 that they had no objection to the proposed amendments to these rules.

Draft amendments to the Auditor's Certificate Rules, 1932.

The Committee sent their views on 9th Sept. on the draft amendments to the Auditor's Certificate Rules, 1932, as contained in the Government of India, Department of Commerce, Notification dated 8th Aug.

The Committee observed that with regard to amendment No. 1, they were of opinion that the proposed amendments might lead to arbitrary action by the All India Accountancy Board in regard to admission of Registered Accountants in the List of Approved Accountants. They therefore suggested that if a person had fulfilled the

conditions specified in I (ii) re : practice for three years as Registered Accountant, and had applied for admission to the list and had not been admitted, he should in any case after having practised for 7 years be put on the list.

With regard to the other amendments proposed, the Committee had no objection.

Amendment to certain Bye-laws of the East India Cotton Association.

The views of the Committee were invited by the Government of Bombay, on the amendments proposed by the East India Cotton Association, Limited to certain of their bye-laws. The Association has found some difficulty in regard to cotton transactions under the bye-laws and the present amendments were therefore proposed with a view to removing the difficulty.

The Committee in reply informed Government that they had no objection to the proposed amendments.

Draft Hazardous Occupations Rules under the Factories Act, 1934.

The views of the Committee were invited by the Commissioner of Labour, Bombay, on the following draft Hazardous Occupations Rules under the Factories Act, 1934:

1.	Hazardous Occupations		(Miscellaneous) Rules,	1937.
2.	,,	,,	(Aerated waters)	,,
3.	,,	,,	(Rubber)	,,
4.	,,	,,	(Chromium)	,,
5.	,,	,,	(Cellulose spraying)	,,
6.	,,	,,	(Sand blasting)	,,

The Committee after considering the rules felt that the same were both necessary and opportune in the interests of the employees working in the various industries referred to therein. They therefore informed the Commissioner that the Committee generally supported the rules.

IV. GENERAL TRADE & INDUSTRY.

Clearing Agreement with Germany.

The Committee addressed the Government of India on 2nd October 1936 drawing their attention to the serious fall in the balance of India's trade with Germany. In 1928/29 the exports from India to Germany were Rs. 32.47 crores and imports from Germany in the same period were Rs. 15.85 crores, the balance of trade being 16.85 crores in India's favour, whereas in 1935/36, the exports were Rs. 8.69 crores and imports were Rs. 12.35 crores, the balance of trade being Rs. 3.66 crores against India. The Committee observed that one obvious reason for this serious drop in the balance of India's trade with Germany appeared to be the compensation arrangement fixed by the German Government. Germany had by this arrangement divided the different articles into essential and non-essential articles, which led in effect to compulsorily reducing the exports from India to Germany, with the result that India had now a disastrous fall in her balance of trade with Germany. If the list of articles imported into India from Germany were scrutinised it would be seen that they were of non-essential nature and India could do very well without them or purchase them from other countries. There was no reason therefore why these articles should be dumped into India by Germany, while placing a heavy handicap against India's exports to that country. The Committee in this connection drew the attention of Government to a representation made by them in 1935 pointing out the defect in the present machinery in the trade between Germany and India. The Committee felt that at a time when the Government of India were conducting negotiations for Indo-British trade agreement opportunity should be taken to have a clearing agreement with Germany. In fact there were 32 agreements Germany had made with other countries, and it was the right opportunity for pressing

on the attention of the British Government that India also should have a clearing agreement with Germany, as in the absence of such an agreement she was suffering heavily in this that while she had to pay for her imports there was no facility whatsoever for Indian exporters to get their payments as various difficulties and handicaps were placed in the way of remittances being sent out to India from Germany.

The Quota System.

The views of the Committee were invited by the Indian National Committee by letter dated 16th September on the administration of quota systems as affecting Indian merchants. It was stated that another enquiry that was entrusted to the Committee on Customs Technique of the International Chamber of Commerce related to the Quota system prevailing in various countries. The only object of the enquiry was to study the manner in which the quotas were applied by the competent authorities of the various countries and the extent to which the formalities to be observed by importers and exporters required simplification. The Committee in reply informed the Indian National Committee on the 6th October that they had already addressed the Government of India in 1935 in regard to trade restrictions imposed in various European countries in the form of quotas, etc. adversely affecting the export trade of this country.

Excise policy of the Government of Bombay, and competition of Government Distillery at Nasik with private enterprise in regard to denatured spirit.

The Committee received complaints from a member regarding (1) unfair competition of the Government Distillery at Nasik with private enterprise in the matter of denatured spirit, and (2) the recent raising of the Excise Duty on certain medicinal and toilet preparations containing spirit of indigenous manufacture.

They thereupon addressed the Government of Bombay, drawing attention to the complaint of the trade that the prices at which some of the items manufactured by the Government Distillery here sold were uneconomic and that actually in some cases the Government selling prices were lower than even the cost of manufacturing these articles. The Committee were further informed that difficulties were being placed in the way of those who sought to obtain denatured spirit by delays in grant of permits and in some cases such permits were even refused. On the question of competition of State Departments with private enterprise, the Committee observed that the business community in India had always held that such competition was not desirable and was detrimental to private enterprise. The Committee therefore hoped that the Government of Bombay would be pleased to look into this matter and let them know as to what measures Government proposed to take to remedy the grievances referred to above.

With regard to item (2) the Committee requested the Chamber's representative in the Bombay Legislative Council to obtain from Government information thereon by suitable interpellations.

In reply the Government of Bombay by letter dated 28th September informed the Committee that the manufacture of denatured spirit at the Distillery was undertaken with a view mainly to helping the sugar factories in the Presidency by consuming their molasses for which there was practically no market and to safeguarding Government revenues by preventing this cheap base from passing into illicit distillation. In practice however this anticipation was not realised and the manufacture of the spirit was stopped as soon as experience enabled the profit or loss to be assessed with precision. As regards the production of other spirits at the distillery Government observed that they were manufactured at economic cost and there was no intention of fixing an uneconomic selling rate to compete with private enterprise.

The Committee addressed Government on the 31st October, stating that they noted that the manufacture of denatured spirit was stopped for the reason given by Government, but there was no reference made therein with regard to manufacture of rectified spirit, which was being still continued at the Nasik Distillery. Rectified spirit was being sold at Rs. 1/2 only per gallon to Government Medical Stores and Hospitals, and private manufactures like the Alembic Chemical Works Co. were not able to sell it at this rate or anything near it, as it was not considered to be an economic price. Government themselves were selling at Rs. 2/4 per gallon to the market, which showed that the economic price could not be Rs. 1/2 and therefore there might be some truth in the allegation that is was being sold at Rs. 1/2 only to make private competition impossible. The Committee therefore suggested that Government should not enter into such a competition with private enterprise and sell rectified spirit at a price which was not considered an economic price by the latter. If the sale of denatured spirit was stopped the manufacture of rectified spirit should also be stopped, or it should be sold to Government Stores and Hospitals only at a price which might be called an economic price, an index to which was afforded by the price at which Government were placing the stuff on the market.

Exchange Restrictions in Iran.

The attention of the Committee was drawn by a member to the difficulties experienced by Indian merchants in getting remittances from their constituents in Iran on account of the Exchange restrictions placed by Government in that country. The Committee thereupon addressed the Government of India, on 24th July 1936, requesting them to institute enquiries as soon as possible into this grievance and let them know as to what was the exact situation and also to remove any difficulties which might be in the way of Indian merchants getting their payments for goods shipped to that country.

In reply the Consul informed the Committee in his letter of the 9th August, that the Rules and Regulations governing the Commission for the issue of Exchange Permits were one and the same for Iranians and foreigners alike. He therefore advised the Indian merchants to appoint constituents in Iran (Teheran) to apply on their behalf to the Commission for the Control of Exchange with the necessary documentary proofs and the Commission would decide on the merits of the case subject to the abovementioned rules. The Committee passed on the information to the parties concerned.

In reply, the Government of India informed the Committee that the Government of Iran had recently been following a policy designed to regulate their export and import trade and they had also enacted Trade Monopoly Acts in certain articles. These measures had affected India in common with other countries having trade relations with Iran.

In view of the above explanation, the matter was recorded.

Appointment of an Indian Trade Commissioner in Japan.

It would be recalled that the Committee had addressed several communications to the Government of India during 1935 urging the necessity of appointing Indian Trade Commissioners in Japan and other foreign countries, to which no satisfactory reply was forth coming. The Committee therefore once again addressed a communication to Government pointing out that this question had now been pending for a long time, and in the meanwhile it was apprehended that some of the vital interests of India were being sadly neglected on account of the absence of proper representation in Japan to watch the interest of India. The Commercial and trade interests of India and Japan had always been very important and specially more so since the Indo-Japanese Agreement. It was natural therefore

that the commercial community in India was anxious that the Indo-Japanese Agreement should be carried out in letter and spirit and that there should not be any misinterpretation or misleading interpretation of the same. Under the circumstances the Committee reiterated their demand for the early appointment of an Indian Trade Commissioner in Japan.

Purchase of Medical and Surgical Requirements of the Civil Hospitals in the Bombay Presidency from an English Firm.

The attention of the Committee was drawn by a member to a circular, reported to have been issued by the Surgeon General with the Government of Bombay to all Civil Hospitals in the Presidency instructing them to order out their requirements, medical and surgical, from the Surgical Manufacturing Company, London. The Committee thereupon addressed the Government of Bombay on 17th June 1936 enquiring whether such a circular was issued. If so the Committee felt that it was highly improper on the part of the Surgeon General to have issued such a circular, since the established policy of Government was to encourage Indian Industries and also in accordance with the New Stores Purchase Rules adopted by Governiment to purchase their requirements from India. The Commttee also requested their representative in the Bombay Legislative Council to obtain the necessary information by suitable interpellations.

The Govt. in reply observed that the Surgeon-General with the Govt. of Bombay had issued instructions to all Govt. Medical Officers to obtain all Surgical instruments etc. from the Surgical Manufacturing Co. Ltd. London which had been given the contract for 1936-37. They added that before the Contract was given tenders were invited by the public advertisment in Bombay and that the rates quoted in the tender of the Surgical Co. Ltd. were found to be about 42% lower than those in the next lowest tender.

Restrictions on Imports of African Cashewnuts.

The views of the Committee were invited by the Government of Bombay on 21st May 1936 on a proposal before them to restrict the imports of cashewnuts from Africa and also to levy an export duty on finished African cashewnuts exported from India abroad.

In reply the Committee by their letter dated 12th June 1936 stated that they had considered the matter from the points of view *viz.*. the (1) effects of imported cashewnuts on local production and (2) the effects of the proposed restrictions on the imports of cashewnuts. While there were no official statistics re: imports, exports and local production of cashewnuts, the Committee understood from the merchants interested in the import-export trade that the imports of cashewnuts from Africa averaged about 300,000 bags; the production in India was about 500,000/600,000 bags, and the exports, which principally went to the U.S.A., were about 600,000 bags. These figures, the Committee observed, were more or less only rough estimates and could not be taken as accurate. The Committee informed Government that the imports of cashewnuts from Africa did not affect the price of Indian produce, specially as the season for the African and Uganda nuts was different. The finishing process of cashewnuts for export purposes was a new industry, and under such circumstances if any steps were taken at present with a view either to curtail the export from India or restrict the imports of African cashewnuts, the industry might be affected adversely without benefiting any one. The Committee therefore suggested to Government to watch the market and if in future the imports adversely affected the local product suitable action might be taken.

Disparity in Insurance Premia charged for Ahmedabad and Bombay Mills.

The attention of the Committee was drawn to the disparity in premia charged by Insurance Companies for

Mills in Ahmedabad and Bombay; as for example in Ahmedabad the Insurance Companies levied an extra premium for electric lights which was not in force in Bombay. The extra charges for electric lights were levied not only for the mills working night shift but also on mills working day shift. The Committee thereupon addressed the Bombay Fire Insurance Association and pointed out that these extra charges constituted an undue burden on, and adversely affected the Ahmedabad Mills Industry, particularly in the present depressed condition. The Committee therefore requested the Insurance Association to remove the extra charges and place the Ahmedabad Mills on the same level as that of Bombay as regards insurance premium.

The Committee were informed by the Insurance Association, by their letter dated 17th June, that the extra for electric lights had already been exempted from the 50% loading for night work, and they had decided also to remove the extra charges for electric lights in the case of mofussil mills. The Association had however fixed an additional 1 anna per cent. for fire-proof and 2 annas per cent. for non-fire-proof mills where the electric lights and/or power installed were not in accordance with the rules of the Association.

Difficult situation arising in the Diamond Trade on account of the recent judgment of the Chief Justice of Bombay in connection with business on "Jangad" basis in that trade.

The attention of the Committee was drawn by the Bombay Diamond Merchants Association to a recent decision of the Chief Justice of Bombay in Criminal Appeal No. 413 of 1935 giving his interpretation of the term "Jangad" business in the diamond trade. The Bombay Diamond Merchants Association contended that the interpretation put by the Chief Justice on the term "Jangad" business went counter to the accepted usage and custom not only of the diamond trade, but other trades also. The

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diamond trade was consequently disorganised seriously. The Diamond Merchants Association had, therefore, submitted a representation to the Hon'ble the Law Member. In this connection the Committee were requested to support the said representation.

The Committee thereupon wrote to the Government of India, Legislative Department on 7th December 1936 strongly supporting the representation and endorsing the opinion of the Diamond Merchants Association that the interpretation put by the Chief Justice on the term "Jangad" business was not correct and was entirely in contravention to the accepted usage and custom not only of the diamond trade, but other trades also. The correct view of every "Jangad" transaction, the Committee submitted, was that the transaction was purely one of entrustment for specific purpose of inspection and the property in the goods so entrusted remained with the owner until a bona fide sale was effected with the consent of the owner. The position before the said decision of the Chief Justice in the diamond trade was that if either a middleman or a broker misappropriated the property thus placed in his hands on "Jangad" basis or hypothecated the same, he was liable to be prosecuted and tried for offences under Sections 406 and 420 of the Indian Penal Code. This position was now entirely changed in view of the said decision of the Chief Justice.

The Committee greatly sympathised with the position in which the diamond trade found itself at present and felt the urgent necessity of finding out a satisfactory solution. The Diamond Merchants Association had in its representation requested that the Law about "Jangad" should be carefully considered in all its aspects and Section 24 of the Indian Sale of Goods Act should be so amended or modified as to embody unequivocal recognition of the connotation of the expression "Jangad" as recognised in the diamond and other trades. The Committee supported this request of the Association and hoped that Government

would be pleased to give sympathetic and favourable consideration to this reasonable request of the Association and amend Section 24 of the Sale of Goods Act defining the term "Jangad" on the lines suggested by the Association.

Second Annual Report of the Lancashire Indian Cotton Committee for the year 1935.

The Committee considered the Second Annual Report of the Lancashire Indian Cotton Committee for the year 1935, and expressed their views regarding the same to the Local Secretary of that Body. They observed that it was true that Lancashire had taken more Indian cotton than in previous years, but while there had been a progressive increase in the last three years, the total quantity was hardly sufficient to make an impression on the balance of Indian cotton available for export. The Committee pointed out that during the year under report Japan took nearly 2 million bales against Lancashire purchases of 347,000 bales. The Committee further observed that apart from Lancashire piecegoods India had for some generations been a very lucrative market for various products of the numerous industries of the United Kingdom. It might also be mentioned that apart from the substantial tangible benefits derived by the United Kingdom industries and trade in the total trade relations with India, India provided employment for thousands of the United Kingdom subjects and, in some cases, to the admitted detriment of educated Indian youths. The Committee therefore hoped that the Lancashire Indian Cotton Committee would not rest content with the increases of Indian cotton, but would make strenuous efforts to reach a respectable figure which might ultimately result in evoking a better response from India.

Improvement in Compilation and Publication of Government Trade Statistics.

The Bombay Chamber of Commerce had addressed the Director General of Commercial Intelligence and Stat-

istics in regard to the necessity of improving the compilation and publication of Government trade statistics and the Committee of the India M. C. were requested to support the said representation.

In submitting their views on the suggestions of the Bombay Chamber, the Committee observed as follows:

With regard to the first suggestion of the Bombay Chamber re: publication of re-exports to individual countries in Monthly Seaborne Trade Returns, the Committee were in full agreement with the same.

With regard to the second suggestion re: separate returns for bonded goods, the Committee while appreciating the object with which the Bombay Chamber had made this suggestion, were of opinion that if its acceptance was likely to result in considerable delay in the publication of the monthly returns, the value of such publications would be seriously diminished. The Committee, therefore, trusted that if Government were in a position to incorporate such detailed figures for bonded goods without any great delay in the monthly returns, they would welcome the same.

With regard to suggestion 3, the Committee supported to same.

With regard to suggestion 4, re: discrepancies found in the statistical returns of goods exported from and imported into India, the Committee concurred with the Bombay Chamber that such statistical returns, for example Italian goods shipped from Marseilles being entered as French goods and French goods shipped from Genoa as Italian goods, were for all practical purposes useless.

The Committee also supported the suggestion that as soon as any Table was completed it should not wait publication to be bound with other Tables, but should be posted to subscribers immediately and that a Spring-back

or some other convenient Loose-Leaf File should be issued to subscribers to collect their sets of official statistics.

Proposed revision of the form of Seaborne Trade Report of the Bombay Presidency.

The views of the Committee were invited by the Collector of Customs, Bombay, in regard to the proposal before Government to revise the form of the Seaborne Trade, Report of the Presidency. It was observed that the Report had hitherto been issued in the form of a series of paragraphs with statistical tables interposed, the paragraphs consisted partly of comments on the trade shown by the table and very largely of extracts from the tables. It was felt that this Report was neither in the true sense a statistical report, since such a report should consist of statistical tables alone, nor a trade report, since it should elucidate trade tendencies and movements during the period under report. It was therefore proposed that it should consist of statistical tables, as at present, but arranged where possible in clearer form with only such comments on them as was essential. The revised form of report was to take effect for the year ending 31st March 1937.

The Committee in reply informed the Collector of Customs that they approved of the proposal.

Recommendations of the Indian Drugs Enquiry Committee giving effect thereto.

It might be recalled that the Committee had been carrying on correspondence with the Government of India since 1934 in regard to giving effect to the recommendations of the Indian Drugs Enquiry Committee. The Chamber's representative in the Legislative Assembly had also put some interpellations in this regard in September 1935. The resolution tabled by Khan Bahadur Sir Nusserwanij Choksi in the Council of State last year was also carried

inspite of opposition of Government. In view of the importance of the subject and in view of the studied indifference of Government, the Committee once again requested their representative in the assembly to raise this question by moving a suitable resolution in the body.

Bio-Chemical Standardisation Laboratory.

The Committee addressed the Government of India on 26th November in regard to the recent decision to establish a Bio-Chemical Standardisation Laboratory as recommended by the Drugs Enquiry Committee, to be located in Calcutta. In that connection, the Committee drew the attention of Government to a communication addressed by them in December 1935 in which they urged the establishment of such a Laboratory in Bombay. The Committee at that time pointed out that Bombay's share of the total imports of drugs was much larger than that of Calcutta, and Bombay also had got important chemical and pharmaceutical products manufacturing concerns. In view of all this, the Committee reiterated their request that such a Central Laboratory should properly be established in Bombay and not at Calcutta. They, therefore, hoped that even now before making any final arrangements at Calcutta, Government would be pleased to revise their decision and establish the Central Laboratory in Bombay.

Training Facilities For Indian Students in The United Kingdom And Other Foreign Countries.

The General Body at the last Annual meeting of the Chamber held on 31st January 1936 passed the following resolution on the subject:

Resolution.

"This annual meeting of the Indian Merchants Chamber RESOLVES that the Government of India, all the Governments and semi Government bodies and Departments and Corporations be

requested to have inserted in all their contracts and agreements for the supply of stores materials or services with Non-Indians supplying the said stores materials or services a clause to the effect that the said suppliers shall afford every facility to Indian apprentices for practical training in factories, workshops or offices so as to enable them to acquire full knowledge of the technique and work of their trade, industry, calling and profession. A copy of the said Resolution be forwarded to our representatives in the legislatures for such actions as would give effect to the Resolution. And also to other representatives of Commerce and Industry with a request that they be pleased to move similar resolutions in the Indian Legislative Assembly."

In pursuance of this resolution, the Committee requested the Chamber's representative in the Legislative Assembly to raise the matter thereby moving a suitable resolution on the subject.

In this connection, the Committee had addressed previous to the above resolution of the General Body a representation to the Government of India, urging the necessity of obtaining facilities for higher technical training of Indian students abroad in larger numbers than hitherto. In reply to the above, the Government of India explained their position as to how they were obtaining facilities for Indian students in the United Kingdom and Continental countries.

Admission of minors to business partnerships.

When the Chamber's representatives met the Income-Tax Experts in December 1935 to give oral evidence on behalf of the Chamber, it was represented to them that the eligibility of minors to business partnership led to evasion of tax and that perhaps in some cases minors were

being taken into partnership with a view to minimise the burden of tax. The views of the Chamber's representatives were invited by the Income-Tax Experts on the desirability of securing legislation preventing admission of minors to partnership.

The Committee considered this question subsequently and addressed the Central Board of Revenue, observing that any drastic change in law, which would prevent minors admission into business partnerships, would upset social usage and well-established practice and would cause many other difficulties. They were, therefore, against the proposal.

Proposed New Cinema Theatre in the City by an American Company.

The attention of the Committee was drawn to a proposal to sell a large plot of land between Dhobi Talao and Marine Lines Station to an American Company for the purpose of the erection of a cinema theatre. The Committee thereupon addressed the Commissioner of Police for the City of Bombay, on 31st July 1936 pointing out that as there were already too many cinema theatres in the City, the addition of a new theatre would adversely compete with the existing cinemas. The proposed new theatre was again going to be constructed by an American company, and there was no reason why permission should be accorded to them for constructing another theatre which would thus be harmful to the interests of Indian cinema theatres existing. The Committee therefore requested the Commissioner not to grant license for the new theatre.

In reply the Committee were informed by the Superintendent of Police, Theatre Department, Bombay, by his letter dated 15th August 1936, that as it did not appear to him that the proposed new cinema was likely to cause any obstruction, inconvenience, annoyance, risk,

danger or damage to the residents or passers by in the vicinity, and as the Police were not concerned with the business aspect of the matter, permission had been granted to the Company to erect a cinema at this site.

Site for holding an Industrial & Commercial Museum in the City.

At the request of the Indian Industries Fair, Limited, a joint stock concern, the Committee addressed the Government of Bombay on 19th August pointing out that their attention had been drawn to the fact that the Indian Industries Fair Limited had applied to Government for the Plots Nos. 98/99 behind the Marine Lines Railway Station for a short period for putting up an Exhibition under its auspices. The site, they had selected, was a central site and if the fair was located there for some period it was likely to be useful to trade and industries of the City. The Committee hoped therefore that Government would be pleased to give the Fair authorities the use of those plots for holding an exhibition.

The Committe were informed by Government, by letter dated 25th September, that they were pleased to sanction the temporary allocation of the site west of the Marine Lines station for the use of the Indian Industries Fair, Ltd.

Subjects for discussion at the IXth Biennal Congress of the International Chamber be held in Berlin in 1937.

The Committee, being requested by the Indian National Committe of the International Chamber of Commerce, Calcutta, suggested the following subjects to be included in the Agenda of the IXth Biennial Congress of the International Chamber to be held in 1937:—

(1) Trade Barriers and restrictions, Exchange Control, Quotas, Prohibitions, Monopolies, Licensing, Barter, etc. Loosening of:—

(2) International Monetary Agreement.

(3) Coastal trade—Reservation for national shipping.

(4) International Arbitration from the point of view of sellers.

Commercial Education in the Presidency.

The attention of the Committee had been drawn to the proposals which were before the Senate of the Bombay University for affiliation of some colleges in the mofussil for commercial education. In this connection, the Committee addressed the Vice-Chancellor of the University stating that commercial education was an extremely important subject and needed to be spread on as wide a basis as possible. Arguments appeared to have been put forward, as reported in the press, that there was no necessity to affiliate any other outside colleges as there was the Sydenham College of Commerce, which could admit only a limited number of students. There was no reason why there should be a sort of a monopoly created with regard to the Sydenham College, specially when institutions in the mofussil were started with a cadre of professors with equally good qualifications as those of Government College professors. Businessmen were now coming more and more to recognise that these were days of specialists and preference was freely given to youngmen who had specialised in some branch or other of commerce and had even taken a general commercial education. Full advantage must therefore be taken of this tendency of businessmen and enthusiasm by considering the question of affiliation of Commercial Colleges in the mofussil sympathetically.

Dates of publication of official cotton forecasts in India.

The views of the Committee were invited by the Indian Central Cotton Committee in connection with the dates of publication of official cotton forecasts in India.

The Indian Central Cotton Committee desired to ascertain whether the dates adopted at present for the publication by the Director General of Commercial Intelligence and Statistics, Calcutta, of the five all-India (consolidated) cotton forecasts each season required any change in the light of the prevailing sowing and harvesting periods in the different cotton tracts of India. The Committee in reply informed the Central Cotton Committee on 22nd December that they had no views to offer regarding the dates adopted by the Director General at present for the publication of the five all-India cotton forecasts. They were, however, of the opinion that these five forecasts should indicate, as in the American Bureau Reports, the exact date upto which the forecast report relates and that expressions such as "at the end of July or early August", "upto the beginning of December" etc., should be discontinued.

Tea Market Expansion Board.

The Committee were invited by the Federation of Indian Chambers of Commerce and Industry to nominate a person to represent the Federation on the Tea Market Expansion Board.

The Committee suggested the name of Mr. Debis Chandra Ghosh, Jt. Secretary of the Indian Tea Planters Association, for the purpose.

Binder's Report on Clove Legislation in Zanzibar.

The attention of the Committee having been drawn by the Indian National Association, Zanzibar to Mr. Binder's report, on the Zanzibar Clove Legislation, they sent on the 23rd December 1936, the following telegram to the Government of India, Department of Education, Health and Lands:

> "Committee Indian Merchants Chamber have read newspaper reports regarding substance of the Binder

Report regarding Clove Legislation in Zanzibar. From these newspaper reports it would appear Binder Report extremely disappointing and proposing to perpetuate the highly invidious position in which Indians have been placed by the Government of Zanzibar. It will render a large majority destitute and be extremely unfair and unjust. Extension of moratorium has led to consternation and apprehension. Urge Government of India to take immediate and vigorous action".

V.—GENERAL.

Conferment of Knighthood on the President.

The Committee, at their meeting held on 30th June 1936, passed a resolution conveying their congratulations to Sir Rahimtoola M. Chinoy, Kt., President of the Chamber, on the honour of Knighthood conferred on him by Government on the occasion of His Majesty the King's birthday.

Formation of Electorates for Commercial Constituencies.

It would be recalled that in December 1935 the Federation of Indian Chambers of Commerce and Industry invited the opinion of the Committee on communications received by them from the Indian Delimitation Committee re: the formation of electorates for commercial constituencies. The Committee at that time informed the Federation that they strongly opposed the proposals of the Indian Delimitation Committee regarding qualifications of Members of Commerce for voting at elections in commercial constituencies under the new reformed legislature.

The Committee addressed the Government of India, Reforms Department, also reiterating their strong objection to the proposals of the Indian Delimitation Committee in this regard. With regard to the proposal of the Delimitation Committee re: enlarging of the electorates so as to include companies and firms having capital employed in commerce or industry and individuals paying income-tax on incomes from commercial occupations, the Committee observed that the introduction of the changes would be against the best interests of the commercial community in general and organised Chambers of Commerce in particular. The Committee add that the Government of India, in their memorandum to the Simon Commission had strongly supported the maintenance of the present arrangements as

regards commercial constituencies. The Indian Franchise (Lothian) Committee later on also expressed themselves in favour of the existing arrangements. In view of all this, the Committee found it inconceivable that the Indian Delimitation Committee should think of a change which would frustrate the very object of special representation for Commerce and Industry.

On the question of adding a financial qualification for members of a commercial organisation forming the electorate for commercial constituencies, the Committee were not able to agree with the arguments advanced by the Delimitation Committee. They pointed out various difficulties likely to arise in case such a proposal was given effect. The Committee were, therefore, opposed to the changes suggested by the Indian Delimitation Committee and strongly held that the present method of representation through organised Chambers and Associations fulfilled in the best possible manner the object for which such representation was designed.

Report of the Indian Delimitation (Hammond) Committee : Formation of Electorate for Commercial Constituencies, Recommendation re :

The Report of the Hammond Committee contained, among others, recommendation two additional qualifications, for commercial constituencies, over and above membership of a recognised Chamber of Commerce or Association forming such a constituency, *viz.*, (1) in case of individuals and firms payment of income-tax on an income of not less than Rs. 10,000/- during any one of the last five years ; and (2) in the case of Companies, having a paid-up capital of not less than Rs. 1 lac.

The Committee requested their representative in the Legislative Assembly to strongly protest against the introduction of these two additional qualification for commercial constituencies, when the Hammond Committee Report came up for discussion in the Assembly.

Affiliated Associations and Electoral Roll of Commerce Constituencies for the Bombay Provincial Legislative Assembly.

The Hammond Committee had recommended the continuation of voting right to affiliated Association Members of constituent bodies forming Commerce Constituencies in the Legislature. Doubts were however expressed that the relative Order in Council by Parliament did not enfranchise such association members. The Committee thereupon sent a telegram to the Government of India requesting them to clarify the position and to rectify the omission after making necessary representation to the Secretary of State for India, if such association members were omitted.

Ninth Annual Session of the Federation of Indian Chambers of Commerce and Industry.

The Committee nominated the following gentlemen to represent the Chamber at the Ninth Annual Session of the Federation of Indian Chambers of Commerce and Industry held in Delhi on 4th and 5th April 1936 :—

1. Mr. Rahimtoola M. Chinoy (*President*),
2. ,, A. D. Shroff (*Vice-President*),
3. ,, Manu Subedar, and
4. ,, M. C. Ghia.

Resolutions for the 9th Annual Meeting of the Federation of Indian Chambers of Commerce and Industry held at Delhi on 4th & 5th April 1936.

The Committee forwarded the following resolutions for submission to the Ninth Annual Session of the Federation of Indian Chambers of Commerce and Industry to be held in April :—

1. The Federation of Indian Chambers of Commerce and Industry views with grave apprehension repeated declarations of Government's intention to undertake the so-called scientific revision of tariff schedules and is of opinion that reduction of import duties which have incidentally assisted the building up of several small industries will discourage industrial enterprise and accentuate unemployment in the country.

2. The Federation of Indian Chambers of Commerce and Industry is of opinion that the constitution of the Indian Tariff Board is entirely unsuited to the needs of modern times and urges that Tariff Board should be constituted on lines recommended by the Minority Report of the Fiscal Commission, with powers to compel any industry applying for protection to tender evidence and that Government should with their recommendations, reports of the Tariff Board within six months of their submission before the Legislature.

3. The Federation of Indian Chambers of Commerce and Industry strongly urges that there should be a majority of Indians as Trustees on the Board of all Port Trusts and that the Chairman of all the Boards should be Indians, and also that services of the Port Trusts should be Indianised on lines of Resolutions accepted by the Legislature and the Government of India in 1922 and 1932.

4. The Federation of Indian Chambers of Commerce and Industry deeply regrets that the promises and assurances given by the Earl of Halifax (the then Lord Irwin and Governor-General of India) re: the employment of cadets of the I.M.M.T.S. "Dufferin" by shipping companies have been set at naught by the present Government and has grave apprehensions that the refusal of the Government of India to implement their promises will lead to a defeat of the very objects of founding the Training Ship and that an Indian personnel for a sea career will not come into existence.

5. The Federation of Indian Chambers of Commerce and Industry urges the removal of all barriers of free trade within the country put up through import and export duties levied by the Indian States, and emphasises that in the interests of trade and industries of British India, as also to minimise diversion of trade from British Indian ports owing to concessions granted by several maritime States, as early settlement with maritime States concerning this and other questions is of vital and essential importance.

6. The Federation of Indian Chambers of Commerce and Industry is of opinion that the Executive Committee of the Federation should, before expressing their views on the Indian Companies Act amending Bill, invite the views of the Member-bodies of the Federation on the same, having regard to the importance of the subject.

7. This Session of the Federation of Indian Chambers of Commerce and Industry is of considered opinion that, as the trade in adulterated and spurious drugs in India has increased and is increasing and is causing great harm to the health of the public the Government of India should take immediate effective measures to check this trade, and that to this end, they should introduce a suitable bill in the Assembly embodying the proposals of the Drugs Enquiry Committee with a view to get it passed into law without delay.

Interview with the President and Vice-President of the Federation of Indian Chambers of Commerce and Industry.

The Committee had an interview with Lala Padampat Singhania and Mr. Debi Prasad Khaitain, President and Vice-President of the Federation of Indian Chambers of Commerce and Industry, respectively on Wednesday, the 8th January 1936 to discuss important questions in connection with revision of the constitution of the Federation.

Revised draft Constitution of the Federation of Indian Chambers of Commerce and Industry.

The views of the Committee were invited by the Federation of Indian Chambers of Commerce and Industry by letter dated 9th September, on the Revised Draft Constitution of the Federation framed by the Executive Committee, fundamentally changing the existing basis and structure of the Federation, and introducing a new set of rules and regulations. The Committee in reply by letter dated 28th October opposed *in toto* the draft rules regarding Constitution of the Executive Committee, Eligibility for and termination of Membership, and duty and powers of the Committee, and suggested suitable amendments to those rules. With regard to other minor draft rules, the Committee suggested suitable amendments.

Special Session of the Federation of Indian Chambers of Commerce and Industry to consider the Revision of the Constitution of the Federation.

The Committee were informed by the Secretary of the Federation of Indian Chambers of Commerce and Industry by his letter dated the 2nd November 1936 that a special session of the Federation would be held in Delhi on the 26th and 27th December 1936 to consider and adopt the draft of the revised constitution of the Federation, and requested the Committee to nominate 4 repretentatives to represent the Chamber at the said session.

The Committee in reply observed that the dates which were proposed for the holding of the special session of the Federation would conflict with the dates of the Indian National Congress which, it was expected that several delegates would like to attend. The Committee therefore requested the Executive of the Federation to fix the dates in such manner that they might not conflict with these dates.

With reference to the intimation from the Federation that as the special session was exclusively meant for the consideration of the draft constitution no outsider or visitor would be allowed to attend the session, the Committee informed the Federation that they were strongly of the opinion that the Secretaries of the different member-bodies should be allowed to attend as advisers to their respective delegations.

The Committee also drew the attention of the Executive Committee of the Federation to clause 26 of the Rules and Regulations referred to in the Federation letter dated the 9th September which dealt with the procedure about the alterations in the Rules and Regulations. The Committee suggested that that Rule did not and should not apply to changes in the Rules and Regulations of the kind that they had under contemplation at present, as otherwise it would be precluding all amendments from the member-bodies if the majority of the Federation Executive Committee wanted to do so. The Committee therefore protested against the application of that rule in the proposed changes of the rules.

Subsequently the Committee were informed that the special Session had been postponed to February 1937.

Nomination of three representatives of the Federation to advise Government in connection with the Indo-Japanese Trade Negotiations.

The President of the Federation of Indian Chambers of Commerce and Industry informed the Committee on 24th June that the Government of India had invited three representatives of the Federation as non-official advisors at the forthcoming negotiations in regard to the Indo-Japanese Trade Agreement which were to commence in the middle of July. The following names were suggested for the same.

1. Mr. D. P. Khaitan, (Calcutta),
2. Lala Shri Ram, (Delhi), and,
3. Sir Rahimtoola M. Chinoy, Kt. (Bombay).

The Committee in reply informed the Federation by wire dated 1st July that they approved of the above three names.

Continuance of the Term of Office of the Federation's Representative in Berlin.

The views of the Committee were invited by the Federation of Indian Chambers of Commerce & Industry on 4th August 1936 re: the utility of continuing the term of office for a further period of one year. The Committee wrote to the Federation favouring the continuance of the term of office for a further period of one year as they considered that one year was not a sufficiently long period in which the value of such an office could be tested.

Seventh Annual Meeting of the Indian National Committee of the International Chamber of Commerce.

The Committee nominated Mr. Rahimtoola M. Chinoy (President), to represent the Chamber at the Seventh Annual Meeting of the Indian National Committee of the International Chamber of Commerce held in Delhi on the 4th April 1936.

Draft Instrument of Instructions to the Governor of Burma.

The Committee sent a telegram to His Excellency the Viceroy on 16th November 1936 in connection with the draft Instrument of Instructions to the Governor of Burma which was now being considered by the British Parliament, pointing out that it was not contemplated to give the Governor of Burma power of restriction on the entry of Indians into Burma, but power was given to the legislature of Burma to impose such restrictions only on the immigra-

tion of unskilled labour and that too after consultation of the Governor of Burma with the Government of India. The Committee further pointed out that the draft Instrument of Instructions now appeared to provide for giving power to the legislature of Burma to restrict general entry of Indians into Burma, and observed that such a step would be most disastrous to the Indian interest and would be in contravention of the policy His Majesty's Government and of the promises and understanding definitely given during the course of the debate in the House of Commons on 10th April 1935. The Committee therefore appealed to His Excellency to represent to the Secretary of State for India to amend the relevant clause of the Draft Instrument of Instructions to Governor of Burma by confining restriction on entry to unskilled labour only in consultation with Government of India and not Governor General as now provided.

Resignation of Sir Osborne Smith of the Governorship of the Reserve Bank of India.

The Committee addressed a letter to the Government of India, Finance Department, on 17th November 1936 in regard to the resignation of Sir Osborne Smith of the Governorship of the Reserve Bank of India. They pointed out that several reports and rumours with regard to this resigation had appeared in the press causing misgivings in the public minds and particularly in the minds of the Indian commercial community. They observed, therefore, that though the constitution of the Reserve Bank had not been entirely acceptable to Indian commercial opinion, the Indian business community were becoming accustomed to believe that they could look with increasing confidence to Sir Osborne Smith for the protection of their interests. His outstanding ability, exceptional calibre, and sympathetic understanding of Indian conditions engendered high hopes for the success of the Reserve Bank as an efficient controller of Indian currency and credit. The commercial community were therefore seriously perturbed by rumours that serious differ-

ences of opinion with Government had driven Sir Osborne Smith to resign his position as Governor of the Bank. The Committee were anxious that nothing should happen to impair in the slightest degree the position, prestige and independance of the Reserve Bank and they reminded Government that when the Reserve Bank Bill was under discussion in the Legislative Assembly, Government themselves were most solicitous for keeping the Bank out of any sort of 'political influence'. If, therefore, there was any truth in the rumoured interference of Government in the management of the Bank, the Committee feared that the confidence of the commercial community would be undermined and consequently the prestige of the Bank would suffer. The Committee hoped that these rumours were without foundation and the Government would be pleased to assure the public to that effect.

Appointment of the Governor and Deputy Governor of the Reserve Bank of India.

The Committee sent the following telegram to His Excellency the Viceroy on 25th November 1936 in connection with the filling of the vacancies caused by the resignations of Sir Osborne Smith, the Governor, and Sir Sikander Hayat Khan, the Deputy Governor of the Reserve Bank of India.

> "The Committee of the Indian Merchants' Chamber are strongly of opinion that the vacancies caused by the resignations of Sir Osborne Smith and Sir Sikander Hayat Khan should be filled by the appointment of Indians only".

Deputation to the Government of Bombay in connection with Riots in the City.

The Committee at their meeting held on the 11th November decided to send a deputation consisting of the President, Vice-President and Mr. Chunilal B. Mehta, to the Government of Bombay to acquaint them with the

panicky situation in the City on account of the riots and to urge Government to take immediate steps to restore confidence of the commercial public. Accordingly a deputation consisting of the above gentlemen waited on the Hon'ble Sir Robert Bell, Home Member to the Government of Bombay, on the 12th November. The deputation after acquainting the Hon'ble Member with the panicky situation prevailing in the various markets on account of the riots, urged that necessary precautionary steps should be taken to restore the confidence of the commercial community. Subsequently a communique was issued which was published in the press.

H. E. the Governor of Bombay subsequently called the representatives of the Indian Merchant's Chamber, Bombay Chamber of Commerce and the Millowner's Association on the 17th November who jointly emphasised the necessity of not relaxing the precautionary measures taken by Government. A joint statement issued by the representatives of these three bodies with regard to the interview with H. E. the Governor was published in the press.

Proposed joint Committee to consider the question of lay-out of Colaba Railway lands and Queen's Road Estates.

The Bombay Chamber of Commerce by letter dated 10th October drew the attention of the Committee to the public attention that had been recently focussed on the plans for lay-out of Colaba railway lands and Queen's Road Estates and the criticisms that had been expressed in the press and elsewhere. In view of that, they considered it desirable that the views of public bodies interested should be co-ordinated with a view, if possible, to arriving at agreed recommendations for submission to Government in the matter. They suggested for the purpose a joint Committee of one representative each of the Bombay Chamber, the Indian Merchants' Chamber, the European Association, the Western India Automobile Association, the Indian Roads and Transport Development Association, the

Safety First Association of India and requested the Committee to nominate their representative if the proposal met with their approval. The Committee in reply informed the Bombay Chamber on 24th October, that they had nominated Mr. Manu Subedar as their representative on the proposed joint Committee.

In this connection the Committee addressed the Government of Bombay on the 5th November in connection with the plans for the development of Colaba Railway lands and Queen's Road Estates and the suggestions submitted to Government by the Safety First Association of India thereon. The Committee observed that the questions raised by the Safety First Association were important for the following reasons.

The Association's plans relieved the congestion of the main throughfares and disturbed the traffic to and from the buildings situated within these Estates from the lateral service roads thereby relieving the main thoroughfares of parking and the dumping of materials on the pavements and roads during the period of construction.

The Committee also concurred with the observations of the Safety First Association with regard to parking of cars which was a serious problem and endorsed the suggestion of the Association that arrangements should be made for the provision of a central parking station for the storage of cars.

The Committee further felt that in the development of Bombay those responsible for Transport should have a voice in the formulation of a well-developed comprehensive plan for Bombay and its environments.

Subsequently a joint Committee of the representatives of the various bodies which was appointed in October last sent a deputation to the Hon'ble the Home Member, Sir Robert Bell, on the 24th November 1936 when the

questions relating to the layout of the Colaba Railway lands and Queen's Road Estates were discussed in detail. The deputations had also pressed for an establishment of a Central Town Planning authority which should include representatives of those who were in a position to give advice and whose duty should be to formulate general principles of town planning. Mr. Manu Subedar represented the Chamber in the Deputation that waited on the Hon'ble the Home Member.

Indian Employers' Delegation to the 21st Maritime Session of the International Labour Conference, 1936.

The Committee were asked by the Local Government to send their suggestions for the Indian Employers Delegation for the 21st Maritime Session of the International Labour Conference, to be held in October 1936 at Geneva.

The Committee recommended by their letter dated 18th June to the Government of India, the following names for the Delegation:—

Delegate.

Mr. M. A. Master, (Manager, Scindia Steam Navigation Co., Ltd., Bombay).

Adviser

Mr. D. S. Erulkar, (Managing Director, Scindia Steamships (London) Ltd., London.)

Nomination of the Indian Employers' Delegation to the 23rd session of the International Labour Conference, 1937.

In response to the request of the Federation of Indian Chambers of Commerce & Industry, the Committee recommended the name of Sir Hormusji H. Mody, K.B.E., M.L.A., as the Employers' Delegate and Mr. J. K. Mehta as Advisor to the 23rd session of the International Labour Conference to be held in Geneva in June 1937.

Nomination of the Chamber's representative on the Advisory Board of the Sydenham College of Commerce and Economics, Bombay.

The Principal of the Sydenham College of Commerce and Economics, by letter of the 22nd September, requested the Committee of the Chamber to nominate a representative on the re-constituted Advisory Board of the College for the triennium 1936-1939.

The Committee nominated Sir Rahimtoola M. Chinoy, Kt. (President of the Chamber) as representative of the Chamber on the Advisory Board of the College for triennium 1936-1939.

Secession of India from the League of Nations.

The Committee at their meeting held on 18th August 1936 resolved that India should secede from the League of Nations. In view of this resolution, the Committee requested their representative in the Legislative Assembly to support any resolution that might come up before that Body for secession of India from the League of Nations.

Rules & Regulations of the Chamber—Substitution of new rule for the present Rule 17.

The Committee recommended to the General Body at the First Quarterly General Meeting of the Chamber held on the 28th April 1936, the substitution of the following new rule for the present Rule 17 of the Rules and Regulations of the Chamber.

"17. *Vacancy in the office of the Chairman or the Vice-Chairman:—*

"Any vacancy during the year in the Office of the Chairman on the Vice-Chairman created by resignation shall be filled up by election in accordance with Rule No. 26.

The Chairman and/or the Vice-Chairman can get from the Committee leave of absence from the work of their offices for a period not exceeding four months, whether the leave is to be enjoyed in or outside India; during such absence of the Chairman the Vice-Chairman shall act as Chairman, and during such absence of the Vice-Chairman, the Committee shall appoint the acting Vice-Chairman from amongst themselves."

The resolution recommending the substitution of the above mentioned new Rule 17 was subsequently passed by the General Body at its First Quarterly Meeting.

Closing of the Bombay Small Causes Court on Saturday at 2-0 p.m.

The Bombay Advocates' Association had requested the Committee to support the representation of the Association to the Government of Bombay re: closing of the Small Causes Court, Bombay, on Saturday at 2-0 p.m. The Committee thereupon wrote to Government in support of the Association's request, observing that Saturdays were generally observed by the commercial community in the City as half-holidays, and it would much inconvenience them if the Small Causes Court were to be kept open upto 5-30 p.m. on Saturdays, because the commercial public would have to attend the Court for any work they might have there. The Committee therefore requested Government to accede to the suggestion of the Bombay Advocates' Association to close the Court of Small Causes, Bombay, on Saturdays at 2-0 p.m.

Commercial Examinations.

There were in all 404 candidates for the Commercial Examinations of the Chamber held in May 1936, being the tenth year of the Examinations. Out of these, 199 were for the various Diploma Examinations, 132 for Senior Certificate Exams. and 73 for the Junior Certificate

Examinations. The results of the Examinations showed that 69 candidates were successful in the Diploma section, 46 candidates in the Senior Certificate and 26 candidates in the Junior Certificate Examinations. The Examinations were held in the following centres: Bombay, Poona, Ahmedabad, Surat, Indore, Delhi, Lahore, Madras, Mysore, Bangalore, Trichinopoly, Calicut, Rajahmundry and Narsapur.

Death of His late Majesty, King George V.

Mr. (now Sir) Rahimtoola M. Chinoy, Vice-President of the Chamber, sent, on behalf of the Committee, a telegram to His Excellency the Viceroy requesting him to convey the following massage of condolence to His Majesty King Emperor Edward VIII, and members of the Royal family:—

> "Indian Merchants' Chamber have heard with profound sorrow the mournful news of the death of his Majesty King-Emperor George V and offer their expression of sincere condolences and heartfelt sympathy to his Majesty King Emperor Edward VIII, Dowager Empress Mary and other members of the Royal Family."

Death of Mrs. Kamala Nehru.

The Committee sent to Pandit Jawahar Lal Nehru the following telegram of condolence on the death of Mrs. Kamala Nehru.

"The Committee of the Indian Merchants Chamber deeply regret the sad death of your wife, Mrs. Kamala Nehru, an indefatigable worker in the national cause and send to you their sincere and deep condolences in your bereavement".

Death of Sir Dinshaw E. Wachha, Kt.

The Committee passed the following resolution ot condolence on the death of Sir Dinshaw E. Wachha, Kt

Resolution.

"The Committee of the Indian Merchants Chamber place on record their sense of the deep loss the country in general and commercial community in particular, have suffered through the death of Sir Dinshaw Wachha, an ex-President of the Chamber. His services for a number of years as a Member of the Committee in the beginning of the Chamber and also as Vice-President and President were a great help and inspiration to the Chamber which is the poorer by his death. The Committee resolve that a letter of condolence be sent to his family in their sad bereavement".

Death of Dr. M. A. Ansari

The Committee passed at their meeting held on 12th May, 1936, the following condolence resolution on the death of Dr. M. A. Ansari.

"The Committee of the Indian Merchants' Chamber have learnt with deep sorrow of the sad demise of Dr. M. A. Ansari. In him the country has lost a great patriot and leader who had rendered distinguish services to the cause of her struggle for freedom. The Committee tender their heartfelt condolences to the family of the deceased patriot".

Death of Mr. F. E. Dinshaw.

The Committee passed the following resolution of condolence on the death of Mr. F. E. Dinshaw.,

"The Committee of the Indian Merchants' Chamber express their deep sorrow at the sad death of Mr. F. E. Dinshaw, who was one of the leading members of the Chamber and also a member of the Committee for some time; and consider that his death is a great loss to the commercial community. Mr. F. E. Dinshaw was a great financier and a man of business, whose services to the cause of Indian industry were great.

In all his outlook on the development of Indian commerce and industry, Mr. Dinshaw was a nationalist, and the Committee send their deepest condolences to his family in their sad bereavement".

Death of Sir Lallubhai Samaldas, Kt., C. I. E.

The Committee at their meeting held on the 20th October 1936, passed the following resolution of condolence on the death of Sir Lallubhai Samaldas, KT. C. I. E.:—

"The Committee of the Indian Merchants' Chamber place on record their sense of the deep loss the commercial community has suffered through the death of Sir Lallubhai Samaldas, KT. C. I. E., an ex-President of the Chamber. Sir Lallubhai was a member of the Chamber from the beginning and was a member of the Committee, Vice-President and President, and had thus rendered great service to the Chamber. He was a great industrialist and co-operator and his work in the sphere of industries, banking, shipping and co-operation was meritorious and useful to the country at large. The Committee resolve that a letter of condolence be sent to his family."

Death of Mr. A. M. Kajiji, Bar-at-Law.

On hearing of the death of Mr. A. M. Kajiji, BAR-AT-LAW, who was an ex-judge of the Bombay High Court, and a member of the Chamber and for sometime a member of the Committee, the Committee sent on 30th October a letter of condolence to the bereaved family stating that the commercial community was poorer by his death.

Death of Mr. Sheriff Dewjee Canjee.

The Committee passed, on the death of Mr. sheriff Dewjee Kanjee, the following resolution of condolence:-

"The Committee of the Indian Merchants' Chamber are much concerned at the death of Mr. Sheriff

Dewjee Canjee, who was a member of the Committee for some time. Mr. Canjee had served well the cause of trade and industry and the commercial community is the poorer by his death.

The Committee send their condolences to his family."

Death of Mr. Shariff Hassum.

The Committee passed at their meeting held on 22nd September, the following resolution of condolence on the death of Mr. Shariff Hassum:—

"The Committee of the Indian Merchants' Chamber learnt with sorrow of the sad death of Mr. Shariff Hassum. Mr. Shariff Hassum was a prominent merchant and a member of the Chamber, who took great interest in the development of Indian Shipping and rendered good services to that cause, and the Commercial community is poorer by his death.

The Committee offer their condolences to the bereaved family."

Membership of the Chamber:

At the beginning of the year, there were 555 members. During the year 14 Members were elected, and 54 members discontinued their membership (1 having been dissolved, 45 having resigned, 5 having been struck off the Register for arrears of subscription, and 3 having died). There are thus now on the Roll 515 Members.

Statement of Accounts:

The Statement of Accounts of the Chamber for the year ended 31 December 1936, with the Auditor's Report is annexed hereto. It will be observed therefrom that a sum of Rs. 3496-5-0 has been received as contributions from the representatives of the Chamber on the various public bodies. The best thanks of the Committee are due to the gentlemen who have made these contributions.

THE INDIAN MERCHANTS' CHAMBER.

Dr *Receipts and Payments Account From 1st January 1936 to 31st December 1936.* **Cr.**

RECEIPTS		Rs.	as.	ps.
To Balance brought forward as per last year's A/c ..		80,110	14	0
CAPITAL FUND ACCOUNT.	Rs			
13 New Members @ Rs. 50/- each 650/-				
Less fee received last year from 1 member @ Rs. 50/- .. 50/-	600/-			
6 Applications for membership received in advance @ Rs. 50/- each ..	300/-			
MEMBERSHIP SUBSCRIPTION:		900	0	0
352 Resident members @ Rs. 75/- each	26,400/-			
70 Limited Companies @ Rs. 100/- each	7,000/-			
64 Mofussil Members @ Rs. 25/- each..	1,600/-			
29 Assocn. Members @ Rs. 125/- each	3,625/-			
Outstanding realised	5,025/-			
Bad debts & subscription from a resigned member	225/-			
	43,875/-			
Less: Rs.				
Subscription outstanding 4,675/-				
Subscription received last year from 1 Association Member. 125/-				
Last year's bad debts (13 resident & 2 mofussil Members) 1,025/-				
	5,825/-			
	38,050/-			
Payment received in advance from 6 new applicants (5 resident and 1 Limited Company)	475/-			

PAYMENTS.	Rs.	as.	ps.
By Establishment charges	26,009	11	3
Rent, Insurance & Electric Charges ..	3,702	10	9
Telephone rent & removal charges	560	0	0
Postage & Telegrams	1,968	11	0
Printing Reports, etc.	3,467	8	0
do. Journal	2,662	14	9
Stationery	1,285	8	0
Commercial Exams., including honorarium to Examiners, printing etc. charges	2,699	13	9
Subscriptions to Newspapers & Periodicals, etc.	688	2	9
Books for Library	395	1	3
Miscellaneous charges	231	11	9
Upkeep of Library, including binding charges ..	147	14	0
Carriage Hire	235	13	0
Chairs Hire	85	4	0
Commission on Advertisements in Journal ..	191	2	0
Auditors' Honorarium for 1935	100	0	0
Repairs to Typewriters, etc.	185	6	0
Membership subscription to Federation of Indian Chambers of Commerce and Industry	150	0	0
do. to Indian National Committee, International Chamber of Commerce	33	0	0
Contribution to Indian Chamber of Commerce in Great Britain, London	28	5	6
Deposit with Central Publication Branch, Delhi	17	13	6
Furniture & Fittings	506	0	0
Bank Commission	8	9	0
Travelling expenses	297	3	0
Deposit with Postmaster General for Trunk Calls	15	0	0
Office Appliances (1 secondhand Typewriter) ..	100	0	0
Safe Custody charges	11	0	0

Payment received in advance from 1 mofussil member	25/-						
		38,550	0	0			
Contributions from Chamber's representatives on various public bodies		3,496	5	0			
Fees for Commercial Examinations		4,585	4	0			
Interest on Investments and Current A/cs ..		2,014	13	0			
Advertisements in Journal		1,684	0	0			
Fees for Certificates of Origin etc.		1,435	0	0			
Subscription to Journal..		104	0	0			
Sale of Members' List, etc.		113	0	0			
Sale of Syllabus, and Question Papers ..		55	12	9			
Sundry receipts		21	0	0			
Deposit with Central Publication Branch, Delhi, as per last year's a/c		27	7	6			
Total Rs. ..		1,33,097	8	3			

Loan to Peons (recoverable)					230	0	0
					46,074	3	3
BALANCE :							
CAPITAL FUND :—	Rs.	as.	ps.				
5% Govt. Loan (1945-55) of Rs. 5000/- at cost	5,425	0	0				
5% Municipal Loan (1959) of Rs. 10,000/- at cost	8,862	8	0				
Fixed Deposit with the Central Bank of India ..	28,000	0	0				
In Current A/c with the Central Bank of India ..	1,262	8	0				
				43,550	0	0	
OTHER INVESTMENTS :—							
4% Port Trust Bonds (1969) of Rs. 2,000/- at cost	2,025	0	0				
2½% Govt. Loan (1948-52) of Rs. 20,000/- at cost ..	20,025	0	0	22,050	0	0	
CASH :—							
In current a/c with Central Bank of India ..	11,345	2	9				
do Bank of India ..	9,943	4	11				
On hand ..	134	13	4	21,423	5	0	87,023	5	0
Total Rs. ..							1,33,097	8	3

J. K. MEHTA,
Secretary

RAHIMTOOLA CHINOY,
President.

We have examined the above account of Receipts and Payments with books and vouchers of the Indian Merchants' Chamber and certify the same to be correct.

DEVIDAS VITHALDAS & CO.
Auditors.

Bombay, 2nd January 1937.

APPENDICES

I. TRANSPORT and COMMUNICATIONS

APPENDIX 1

Chairmanship of the Governing Body of the I. M. M. T. S. "Dufferin"

Letter No. 2019 *dated 7th August* 1936 *from Chamber to the Government of India, Commerce Department.*

The attention of the Committee of this Chamber has been drawn to a recent change in the procedure effected by the Government of India with regard to the Chairmanship of the Governing Body of the I. M. M. T. S. "Dufferin". The Flag Officer Commanding, Royal Indian Navy, has been the Chairman of the Governing Body ever since its formation. Government, however, have now decided that the Chairmanship of the Training Ship "Dufferin" in future would be undertaken by the Hon'ble the Commerce Member. My Committee have no objection to this change and hope that the active association of the Commerce Member with the affairs of the Training Ship will enable him to appreciate and weigh the difficulties of the ship better than he has been able to do upto now.

The radical departure, however, in the procedure is this. In the absence of the Flag Officer Commanding, Royal Indian Navy, as Chairman of the Governing Body, it was the right of the members of the Governing Body present at the meeting to elect the Chairman for that meeting from amongst themselves. Under the new arrangement the members of the Governing Body have been deprived of this right and it has been left to the Commerce Member to depute an Officer of the Commerce Department to preside as Chairman of the Governing Body in his absence. The principle recognised upto now was that the

Governing Body knew who their Chairman was and if he was absent they were competent to elect Chairman from amongst themselves. In future they will not know who will preside over their deliberations and with whom they will have to work. My Committee consider this as not fair to the members of the Governing Body and beg therefore to request the Government of India to be pleased not to make any departure in the existing procedure as to who should preside at the meetings of the Governing Body.

Letter No. 160—*M II* (3) *dated 23rd January* 1937 *from Government of India, to Chamber.*

With reference to your letter No. 2019, dated the 7th August 1936, and subsequent reminder No. 43, dated the 7th January 1937, on the above subject, I am directed to say that, after giving the matter their careful consideration, the Government of India have *decided to adhere to the changes recently effected by* them with regard to the Chairmanship of the Governing Body of the Indian Mercantile Marine Training Ship "Dufferin".

APPENDIX 2

Employment of Cadets of I. M. M. T. S. "Dufferin"

Letter No. 2404 *dated 17th September* 1936 *from Chamber to Government of India, Commerce Department.*

It was in December last that the Committee of this Chamber addressed a communication to Government on the subject of the uncertainty of employment of duly qualified cadets of the Training Ship "Dufferin" as Officers. My Committee understand that the position as regards their employment as mentioned therein has hardly improved.

There seems to be an impression in certain quarters that cadets of the Training Ship "Dufferin" should look only to the Indian Shipping Companies for employment when they obtain their certificates of competency, and if they did not obtain such employment, they should take to other careers on shore as the Training Ship "Dufferin" would give them a good public-school education. Not only is this impression inconsistent with the definite terms of the Resolution of the Government of India issued in November 1925 before the starting of the Training Ship "Dufferin" namely,

> "It should be borne in mind that the object of the Training Ship is to train boys for a sea career and not to add one more to the educational institutions of the country designed to train boys for ordinary avocations",

but is directly contrary to the appeal made by Lord Irwin as Viceroy of India and the assurances given by the Government of India from time to time. It was Lord Irwin, who, while addressing the meeting of the Associated Chambers of Commerce in 1926, stated :—

> "It is, however, no use training Indians in this way unless they have a career open to them. I hope, therefore, British shipping Companies will co-operate to make the Training Ship a success by giving fair opportunity of employment to Indian cadets".

Again in 1928 he remarked :

> "It is also a cause for great satisfaction that shipping companies should have shown themselves so willing to take "Dufferin" cadets as apprentices and I earnestly trust that Indian cadets will prove their capacity and will eventually find employment by companies which have given them their apprentice training".

It is, therefore, clear that employment of these cadets on the ships of the British Shipping Companies, particularly in view of the fact that Indian shipping is in its infant stage, was the fundamental condition of the establishment of the Training Ship "Dufferin". This aspect was further emphasised during the course of the answer given in the Legislative Assembly on the 8th April last by the Hon'ble the Commerce Member when he remarked:

> "they realise the necessity of encouragement in that direction in view of the fact that the training in the steamship "Dufferin" would not have been provided unless Government had been satisfied that these companies were going to afford scope for employment to the "Dufferin" cadets".

The universal demand of the Indian public that these cadets should be employed as Officers by the British Shipping Companies has also the approval and support of the Government of India and both of them have, therefore, the same object in view. My Committee would, therefore, appreciate if the Government of India were to inform them of the extent to which British Shipping Companies have now agreed to redeem their promises for giving employment to the qualified cadets as Officers on their ships in pursuance of the Circular letter which Government addressed to them some months back.

As stated in our previous communication, the Hon'ble Sir Frank Noyce stated in the Legislative Assembly on the 29th March 1935 that if any necessity arose, Government would consider the suggestion of attaching conditions as regards the training and employment of Indians as apprentices and Officers on board the steamers of the companies to whom they were giving annual subsidies for the carriage of mails. During the last Sessions of the Legislative Assembly and the Council of State, Government have promised more than once to enquire carefully into the question of imposing an obligation to employ "Dufferin"

cadets as Officers on board the steamers of companies receiving subsidies for the carriage of mails from the Government of India. It was in reply to Mr. Asafali's question that the Hon'ble Sir Muhammad Zafrulla Khan, the Commerce Member, stated in the House on the 14th February 1936 that the "question" of attaching conditions as regards the training and employment of Indians as apprentices and officers in connection with subsidies given to the B.I.S.N., the P. & O., and other companies for the carriage of mails "will be considered when these contracts expire".

A similar observation was made by the Hon'ble Mr. T. A. Stewart, while speaking in the Council of State during the debate on the Hon'ble Mr. P. N. Sapru's Resolution re: employment of "Dufferin" cadets, when he remarked :

> "I would remind the House and my Honourable friend Mr. Sapru that both here and in another place a promise has been given before the mail contracts now held by the British India (Steam Navigation Co., Ltd.) expire in March 1937, the fullest consideration will be given to the possibilities of providing further occupation for ex-Dufferin cadets through the bargaining power that we enjoy in granting a contract".

My Committee would urge upon the Government of India the necessity of taking early action to take steps in consonance with these promises, particularly as the contracts for the carriage of mails on the Indian coast will expire in March 1937.

My Committee would also like to bring to the notice of the Government of India the fact that the imposition of such conditions on ships carrying mails is not unusual and cannot lead to undesirable complications as was remarked by the Hon'ble Mr. T. A. Stewart in the Council

of State. More stringent conditions than those contemplated in this country are imposed in other countries in respect of the carriage of mails. My Committee would refer to one or two instances in this connection from within the British Empire. One of the stipulations of subsidies given by the Canadian Government to its ocean and coastal services is that no discrimination shall be made as regards rates etc. against the merchants or shippers of the Dominion concerned who shall always have precedence for freight and goods over all other merchants and shippers. Further by Section VI(2) of Act 10 of 1911, the Governor General of South Africa is prohibited from entering into any contract for the conveyance by sea of postal articles and from the Union beyond the limits of South Africa with any person who gives, offers or promises to any rebate, refund, discount or reward upon such condition that such person shall ship or in consideration of such person having shipped goods by vessels of the particular lines to the exclusion of any others. It will, therefore, be apparent that as remarked by the Commerce Secretary, the Government of India could utilise to the fullest extent the bargaining power that they enjoy in granting mail subsidies and impose upon the Companies that would carry mails under these subsidies the condition of taking successful and qualified "Dufferin" cadets as Officers in "adequate numbers" as remarked by the Hon'ble Sir Joseph Bhore in the Legislative Assembly in March 1935.

As stated in the previous communication, my Committee take a serious view of this question and are definitely of the opinion that unless effective and immediate steps are taken to restore the confidence in the mind of the public that "Dufferin" cadets when duly qualified, will have fair and reasonable chance of employment, the object with which the Training Ship has been started will be defeated and an Indian personnel for a sea career will not come into existence.

My Committee would further like to observe that in case the British Shipping Companies refuse to respond

either to the request of the Government of India or to the conditions which they can impose under the bargaining power which they posses, when they decide to grant subsidies for the carriage of mails, they would surely take suitable action to redeem the solemn assurances given in 1927 both by the then Commerce Secretary, Sir Geoffrey Corbett and the then Viceroy, Lord Irwin that in case the cadets did not get employment or were not employed by the British shipping companies as they ought to do, the Government of India would not hesitate to take action by law to see that these cadets were employed and in that connection would consider the recommendation laid down by the Indian Mercantile Marine Committee for their employment at least on ships plying in the coastal trade of India.

APPENDIX 3

Record of the Preparatory Maritime Meeting—December 1935

Letter No. C 39/1093 dated 18th March 1936 from the Mercantile Marine Department, Bombay to Chamber.

Under instructions from the Government of India in the Department of Commerce, I have the honour to forward herewith copies of letters from the International Labour Office, Geneva, No. D. 600/120/1005, dated the 24th January and 22nd February 1936, together with a copy of Part I of Report and Record of the Preparatory Maritime Meeting held at Geneva in November-December 1935, and request that you will be so good as to favour me with your observations on the Report generally, and in particular, on the points mentioned on pages 36 and 38-43 thereof and in the concluding paragraphs of the International Labour Office letter of the 24th January 1936, for transmission to the Government of India.

It is requested that your reply may please be forwarded to this office *by the 5th April* 1936, *at the latest.* (Note: The enclosures are not printed).

Letter No. 1173 *dated 25th April* 1936 *from Chamber to the Principal Officer, Mercantile Marine Department.*

With reference to your letter No. C–39/1093, dated the 18th March 1936, I am directed to send you hereby the views of the Committee of this Chamber.

In the first place, as I have already written to you, the time allotted for consideration of such a serious question and a big document is too short and responsible public bodies cannot devote that attention to it which is necessary if full justice has to be done to the question.

At the very outset, I may say that the Committee of this Chamber are always in sympathy with the legitimate grievances of workers on land as well as on sea. So far, however, as the questions under reference are concerned, it is curious that on the shipowners' side it was stated, in so many words, that the fundamental object of the International Labour Organisation was to diminish international competition by way of unfair labour conditions; while, on the other hand, it was equally emphatically stated by the Seamen's Group that the claims of International Regulations were based on humanitarianism and could not be determined solely by immediate economic considerations. With these warring viewpoints of the Employers and the Employees, my Committee find it very difficult to determine as to what would be the best course for the solution of the questions raised in the Report.

Indian shipping has all these years been the victim both at home and abroad of unfair International competition and even if India agrees to raise the standards of labour as suggested imposing fresh burdens, it will not eliminate International competition specially from highly de-

veloped and/or subsidised shipping of the world. The object, therefore, of International Labour Convention of eliminating International competition will not be achieved and my Committee are, therefore, on these broad grounds, opposed to the inclusion of the questions referred to in your letter in an International Convention.

Moreover, the Indian seamen go to sea in a group and get comparatively speaking low wages. This has been already seized upon in some quarters as a convenient argument for agitation to get Indian lascars removed from ocean-going ships. The result is that Indian seamen are hit on two sides. While on the one side foreign seamen resent,—at least many of them do,—the intrusion of Indian seamen serving under a system of low wages and carry on propaganda for their removal; on the other hand, British shipowners want neither their wages to be raised nor their hours of work to be reduced, in order that they may continue to enjoy the great economic benefit which their employment under the present conditions brings to them. If they are, therefore, included under the scheme of the proposed International Convention, the present economic inducement may no longer induce British shipowners to employ them and they, therefore, may be thrown out of employment as there are no Indian ships in the International waters to absorb them. If, however, the grievances of all other seamen are removed except those of Indian seamen, they might feel that an injustice is done to them. My Committee, therefore, feel that under these peculiar conditions it would be very difficult to safeguard the interests of Indian seamen under the proposed International Convention and consequently that will be another argument against dealing with these questions by an International Convention.

Apart, however, from these broad general considerations, even on the merits of the question, we think neither is it practicable nor is it desirable to consider the question of hours and manning by an International Convention independently of the vitally connected questions of wages,

accommodation, food-scales, etc. We, however, understand that Indian shipowners are prepared to redress the just grievances of Indian seamen but think that national legislation or national collective agreements would be the proper machinery for redressing and removing them and we are of opinion that that would be the proper course to decide in connection with the question under reference.

With regard to the different points mentioned on page 36 of the Report, the attention of the Committee of this Chamber has been drawn to the very large and prohibitive costs, which some of the suggested requirements will involve. Indian shipping is still in a condition of infancy and any requirements of the nature suggested will have a serious adverse effect on the same and may even lead to either a closure of the existing concerns or retard the development of any new concerns. This goes to strengthen what my Committee has already observed that these questions—manning and hours of work and holidays with pay for seamen—are not suitable for treatment under an International Convention, but if any advance has to be made regarding the condition of sea-faring life it should be made in the direction of legislation or national collective agreements at Home.

APPENDIX 4

Minimum age for employment of Children at sea

Letter No. 882 *dated* 20*th April* 1936 *from the Shipping Master, Bombay to Chamber*

I have the honour to invite your attention to Article 2 of the Draft Convention fixing the minimum age for admission of children to employment at sea adopted by the International Labour Conference in 1920. The International Labour Office now proposes to place upon the Agenda of the International Labour Conference the question

of the revision of this and other minimum age conventions, one suggestion being that the minimum age for admission of children to employment at sea be raised from 14 to 15 years. Please communicate your views on the practical effect of the proposed change to this office as early as possible to enable me to communicate with the Government of India.

Letter No. 1211 from Chamber to the Shipping Master, Bombay

I am directed to acknowledge receipt of your letter No. 882, dated 20th April 1936, and to send the views of the Committee of this Chamber hereby.

As the law stands at present (this was enacted in 1931 in pursuance of the International Convention for admission of children for employment at sea adopted in 1920), no young person under fourteen years of age shall be engaged or carried to sea to work in any capacity in any ships registered in British India. It is now suggested that this age for employment at sea of young persons should be raised from fourteen to fifteen years. My Committee do not know why it is proposed to do so. One reason may be that as it is proposed to raise the final age for education from fourteen to fifteen years, it is meant to raise the age also from fourteen to fifteen years in case of employment of children at sea. Another reason may be that a number of young boys of fourteen years of age are carried on British and foreign ships and are passed on as "effective deck hands". Whatever the reasons may be underlying the present suggestion, my Committee have no objection if that age is raised from fourteen to fifteen years, provided exceptions are made in the following cases:—

(*a*) in a schoolship, or training ship, in accordance with the prescribed conditions;

(*b*) in a ship in which all persons employed are members of one family;

(*c*) in a home-trade ship of a burden not exceeding three hundred tons ;

Or

(*d*) where such young person is to be employed on nominal wages and will be in charge of his father or other adult near male relative.

In addition, to the above exceptions recognised by Statute, it may be urged that the present minimum age of fourteen years of an apprentice going to sea should not be raised from fourteen to fifteen years. Secondly, exceptions should be made in the case of boys who are employed at sea in very light work such as that of carrying messages in the Purser's or Wireless Department, etc.

As regards the practical effect of the proposed change, my Committee understand that very few boys, if any, under the age of fifteen years are signed on as deck hands at Indian ports. They are, therefore, inclined to think that the raising of the minimum age for employment of young persons at sea from its present minimum of fourteen to fifteen years, provided the above exceptions are agreed to, is not likely to entail any serious hardship on the ships registered in India.

APPENDIX 5

Plight of passengers on Board S. S. Vita

Letter No. 1207 *dated* 30*th April* 1936 *from Chamber to the B.I.S.N. Co., Ltd., Bombay.*

The attention of the Committee of this Chamber has been drawn to some resolutions passed by a public meeting of people of Cutch residing in Bombay. These resolutions,

it appears, have been communicated to you already. They protest against the treatment meted out to passengers on s. s. "Vita", when she sailed from Bombay on the 18th April 1936. My Committee are interested in this question as a large number of the people of Cutch are businessmen and also because steamship companies, as public carriers, owe it to the public that the passengers who patronise their steamers, are given a fair and decent treatment. They will be much obliged, therefore, if you will be kind enough to enlighten them as to what exactly took place on the 18th instant when the s. s. "Vita" sailed from Bombay and whether the complaints of a large number of passengers, which were voiced at the said public meeting, are justified by facts so far as you know them. If these complaints or some of them, are justified and based on facts, you will be kind enough to let my Committee know what step or steps are being taken to redress them and also to see that no such further incidents occur again.

My Committee feel sure that your Company, one of the biggest shipping companies, plying in Indian waters, believe in keeping on good relations with travelling public and looking after their amenities and their goodwill. Under these circumstances, they are addressing this letter to you, with a view to find out what actually happened on the day in question, and to use their offices to explain the position of the Company to the travelling public and make clear to you the attitude of the latter.

Letter No. 884 *dated 5th May* 1936 *from the Agents, B.I.S.N. Co. to Chamber.*

With reference to your letter No. 1207 of the 30th ultimo, we have pleasure in giving you below a resume of the incidents which, according to our reports, occured at the embarkation of passengers by the s. s. "Vita" on 18th April.

The "Vita" left No. 3 Victoria Dock at 6-30 a.m. on the 18th, was alongside No. 15 Dockwall at 7-20 and gang-

ways were in position by 7-30 a.m. The vessel was scheduled to sail at 9 a.m., but owing to delays in embarking did not leave until 10 a.m. These times are given by the Dock Authorities.

In all 756 passengers were booked, of which 20 adults and 3 minors failed to get on board the steamer and their passage money and baggage charged were refunded. On checking tickets on board on the steamer 10 passengers were found without tickets in addition to 7 stowaways inspite of the fact that, with the object of avoiding congestion on board, no Visitor's Passes were issued on that day.

The quantities of baggage brought down for shipment were in excess of anything experienced before and our enquiries reveal that much of shipments were the principal contributing factors to the congestion which ensued and which was the primary cause of trouble. Other factors, however cannot be entirely overlooked ; there was a taxi strike which resulted in the stream of traffic being slower through the Dockwall enclosure, the steamer had to be placed further forward in order to keep the entrance to Victoria Dock clear for traffic with the result that no gangways could be placed on the forward end of ship and lastly the Police force present was much below normal owing to the fact that a number of the Police were required elsewhere to regulate traffic during the procession of His Excellency the Viceroy.

As the time of departure approached a large number of people congregated round the gangway. The pressure round the gangways became so great that there was a danger of some of those present being forced into the water between the ship and the Dockwall and the Police, acting on their own initiative, forced the crowd back. It is clear from the numbers shut out that the congestion round the gangway was not composed of intending passengers and had that congestion not occurred the passengers shut out could have been easily embarked in the time available. We

would here mention that all the Cutch-mandvie passengers numbering 587 with their baggage were disembarked into boats at Cutchmandvie in 1½ hours, this operation as you doubtless know being much more difficult and slow than embarkation at the Dockwall.

Although the "Vita" is measured to carry 1317 passengers and only about 750 embarked there was considerable congestion on board due to the excess number of packages accompanying passengers and the only complaint received by the ship's staff, who made enquiries as best they could in the circumstances, was that the decks were encumbered with goods.

The British India Co., is, as you surmise, always anxious to maintain good relations with its clients. Although we have from the outset expressed our willingness to investigate any evidence submitted to us in support of the allegations made against members of our staff no such evidence has been submitted to us. All the reports we have been able to obtain to date tend to refute the allegations made.

APPENDIX 6

Revision of the Rules under the Indian Ports Act

Letter No. 2458/Gd. 15th June 1936 from Government of Bombay, General Department to Chamber.

I am directed by the Government in Council to forward herewith the revised draft rules proposed to be framed under section 6(1) (p) of the Indian Ports Act, 1908, and to request that the views of your Chamber on the draft rules may be communicated to Government as early as possible through the Surgeon General with the Government of Bombay. I am to say that it will be very convenient to Surgeon General and to the local Government if you

will be so good as to forward your reply in triplicate. (Note Rules not printed. Refer to Bombay Gazette dated 28-5-36 page 512).

Letter No. 1755 *dated* 15*th July* 1936 *from Chamber to the Surgeon General with the Government of Bombay.*

With reference to your letter No. S. 136 (2)/B of 1936 dated the 13th July 1936 (remember) I am directed by the Committee of this Chamber to inform you that they have no observations to make on the proposed revision of rules under the above Act.

APPENDIX 7

Port Trust Demurrage charges and dies non re riots

Letter dated 19*th October* 1936 *from Mr. L. R. Tairsee, representative of the Chamber on the Port Trust Board to the Secretary, Port Trust.*

Please note that at the meeting of the Board to be held tomorrow, I will raise the question of the demurrage charges for goods not cleared owing to the Riots in the City. We have precedents for waiving these charges in the past and I have no doubt you will do so in the present case. I write this to you so that the Chairman may consider the matter, and if necessary, bring it as his own suggestion.

Letter No. 3019 *dated* 19*th October* 1936 *from the Port Trust to Mr. Tairsee.*

The Chairman desires me to thank you for your letter of to-day's date regarding demurrage charges to which goods may become liable due to the riots in the City.

Following the precedent of 1929 and 1932, orders have been passed that no extra fees incurred in respect of imports lying at the Docks and Bunders on and after Friday last, the 16th October, are to be recovered, and at to-morrow's Board Meeting the Chairman proposes to request the Trustees to confirm this action.

Notification No D/6-57/42/1936 dated 19th October 1936 issued by the Docks Manager, Bombay Port Trust.

As the result of the rioting in Bombay, it has not been possible for importers to effect deliveries of their goods from the Docks. It has therefore been decided that Friday the 16th instant and all succeeding days upto a date to be notified later are to be considered as "dies non" for the purpose of calculating extra fees. This means that all Landing dates will continue to be fixed in accordance with the ordinary rules, but that all days commencing from Friday, the 16th until such date as deliveries re-commence (which will be notified in due course by the Docks Manager) will be treated as "Sundays" in assessing the extra fees leviable on cargo landed in the docks.

This exemption from extra fees is however not applicable to export cargo awaiting shipment in the Docks since the day work of the vessels was not interfered with.

APPENDIX 8

Salary cut of Port Trust Employees

Letter dated 3rd February 1936 from Mr. L. R. Tairsee to Chamber.

At the Finance Committee meeting of the Bombay Port Trust, the item 'Restoration of 5% cut' was raised. This involved an expenditure of Rs. 1,43,000, and the reason given

is that the Port Trust is saving Rs. 7 lacs in Debt Charges and Rs. 1 lac by decrease in Municipal taxation by one 1 per cent. After the cut is restored, the surplus will be about Rs. 3 lacs. As I was the only Indian Trustee present at the meeting, I have had this item kept open. In the meantime, I shall be obliged if the Committee will consider it at the meeting tomorrow and issue instructions to its representatives.

Letter No. 257 dated 5th February 1936 from Chamber to Mr. L. R. Tairsee.

Your letter of the 3rd instant regarding the proposal before the Bombay Port Trust to restore the five per cent. cut in the salaries of the Trust Services was considered by the Committee at their meeting yesterday. The Committee were unable to agree to the proposal and decided to request their representatives on the Board of the Port Trust to oppose the same, when the matter came up for consideration.

I have also written to the other trustees in the matter.

APPENDIX 9

Mosquito control in Bombay Docks

Letter No. 2458/G dated 22nd August 1936 from Government of Bombay, General department, to Chamber.

I am directed by the Governor in Council to forward herewith for your information and criticism a copy of the Government Notification, General Department, No. 2458, dated the 31st July 1936, regarding the introduction of a rule for the control of mosquito nuisance in the Bombay Docks.

GENERAL DEPARTMENT.

Bombay Castle, 31st July 1936.

No. 2458.—The following draft of a notification which it is proposed to issue in exercise of the powers conferred

by clause (*p*) of sub-section (1) of section 6 of the Indian Ports Act, 1908 (XV of 1908), is published as required by sub-section (2) of the said section 6 for the information of all persons likely to be affected thereby, and notice is hereby given that the draft will be taken into consideration by the Governor in Council on or after the 15th October 1936.

2. Any objection or suggestion which may be received by the Secretary to the Government of Bombay, General Department, from any person with respect to the said draft on or before the date aforesaid will be considered by the Governor in Council :—

Draft Notification.

No. .—In exercise of the powers conferred by clause (*p*) of sub-section (1) of section 6 of the Indian Ports Act, 1908 (XV of 1908), the Governor in Council is pleased to make the following rule for the control of mosquito nuisance in the Bombay Docks :—

"The Conservator of the Port or an officer duly authorised by him in writing or appointed in this behalf by the Local Government may at any time inspect any vessel within the precincts of the port for the purpose of ascertaining whether mosquitoes or any other noxious insects are present on such vessel or are breeding or likely to breed thereon and if he thinks it necessary or advisable to do so, he may give directions to the master or other person in charge of, or the owner of, such vessel, or to the agent of such owner, to take such steps as may, in his opinion, be requisite for the destruction of mosquitoes or other noxious insects and for the protection, cleansing, ventilation or disinfection of any places or things on such vessel as may be suitable for, or conducive to, the presence or breeding of mosquitoes or other noxious insects."

Letter No. 2251 dated 2nd September 1936 from Chamber to Government of Bombay.

With reference to your letter No. 2458/G, dated 22nd August 1936, I am directed to inform you that I have no objection to the proposed rule referred to in the Government Notification.

APPENDIX 10

The Railway Finances Enquiry—protest against personnel

Telegram dated 23rd October 1936 from Chamber to Government of India, Commerce department.

Committee Indian Merchants Chamber have noted with deep regret and surprise the appointment of the Railway Enquiry Committee announced in the press. While my Committee along with other commercial bodies wanted such a Committee of Enquiry, they have all along insisted on Indian businessmen being associated with it. Only recently at an interview of the Committee with Sir Guthrie Russell the President of this Chamber had regretted that experts appointed for Railway Enquiries had been in most cases foreigners unacquainted with Indian conditions and unable to appreciate the peculiar needs of India. He also emphasised that an Enquiry into the Railway Finances was urgently called for but to have this Enquiry placed in the hands of one or two foreign experts would be merely tinkering with issue and would be entirely unsatisfactory. Notwithstanding these expressions of opinion the Committee of Enquiry now appointed does not have any single Indian. If such a Committee of Enquiry is meant to be a success it must command the confidence of the Indian business community. Unfortunately Government have flouted Indian opinion in this as in several other matters. Strongly appeal even now to undo the wrong and associate with the

Committee prominent Indian, businessmen commanding confidence and respect of their fellow-countrymen.

Letter No. 2853 dated 5th November 1936 from Chamber to Government of India.

The Committee of this Chamber addressed a telegram to you on the 23rd October 1936, with reference to the appointment of the Railway Enquiry Committee recently announced in the press. They deeply regret that a Committee of such an important character like this Railway Enquiry Committee should consist only of foreign experts and not have any Indian businessmen associated with it. Since sending the above telegram, it has further transpired that a gentleman connected with the South African Railway has been also appointed a member of the same. The Railways form the biggest asset of this country. In fact, under the Otto Niemeyer's Report, the Railway Budget will influence very appreciably the financial position even of the different Provinces. Finance will be the fundamental substratum of Provincial Autonomy, and it will be finance which will determine whether Provincial Autonomy is going to succeed or to prove a failure. Under the circumstances, it can well be conceived how important the position, management and administration of Railways in this country is from the point of view of the coming Federal Government and of the different autonomous Provincial Governments. The Government of India, however, my Committee apprehend, either do not appear to have realised the gravity of this problem or deliberately try to keep the Railways away from the popular searchlight. Having proposed to constitute a Railway Authority, which will not be under the popular Legislature, they have now appointed a Railway Enquiry Committee which will, to all appearances, be unaffected by any Indian considerations or interests whatsoever. Almost a sinister significance attaches to this most deplorable step taken by the Government of India, if one scans closely the writings of the Anglo-Indian press and their headquarters reporters,

who have plainly given it to be understood that an all-British personnel of the Railway Enquiry Committee was necessary because, forsooth, the British capitalists had a large stake in the Railway Asset. His Excellency the Viceroy, in his speech before the Legislature on 21st September 1936 referred to the coming transfer of power in the hands of the people through a change in the Constitution. If non-inclusion of Indians in the personnel of the Railway Enquiry Committee is based upon the reasons given by Anglo-Indian writers and is any indication of the real aims and intentions of Government, there will be no transfer of power in Indian hands and all one can say will be: Heaven help India and her interests!

My Committee cannot help recalling that some Retrenchment Committees of an important character in the past had Indians associated with them. Thus, the Acworth Committee, the Inchcape Committee, the Braithwaite Committee (Military) had Indians associated with them in their deliberations. There were also in recent times various Retrenchment Advisory Committees appointed with practically non-official personnel to consider retrenchment in the expenditure of the Government of India when their finances were passing through critical times in 1931. The experience of all those Committees has unhappily been lost on the Government of India who, in the appointment of this Railway Enquiry Committee, have disregarded all the previous conventions and traditions. My Committee should have thought that the most proper course would have been the appointment of a Committee of Indian businessmen who could have been assisted by expert railwaymen in the country. It is not foreign experts who are required to advise us with regard to our ecomomics. Experts there are and many in the Railway Department in this country. If it is not so, the huge expenditure on railway administration is uncalled for and unjustified. What is required is men with keen insight and practical experience of Indian conditions, men who react to Indian difficulties and grievances. Any Committee, which is appointed, will not be able to ignore the problems

of railway rates and freights, third class passenger traffic, railways being run purely as military lines, greater attention being paid to Ports traffic than to island trade, etc. In this connection my Committee cannot help saying that the terms of reference of the Enquiry Committee are very vague. It is open to all serious doubts if foreign experts will be able to understand and appreciate the peculiar Indian viewpoints with regard to all such questions. How far the Government of India are from the appreciation of real Indian opinion with regard to such matters was recently evidenced when the Hon'ble Sir Guthrie Russell, moving the adoption of the Railway Budget in the Council of State, implied that the decline in railway earnings was due to the policy of discriminating protection followed by Government. The railway authorities seem inclined to forget that the grant of protection to any industry in the country, which in every case is the result of very exhaustive and elaborate examination, is made with the definite objective of bettering the economic life of the country, and it is difficult to believe that if the railway policy is sympathetically co-ordinated with the fiscal policy of the country, the net result would be a diminution in the prosperity of Railways. It is with regard to tackling of such problems that the absence of Indian businessmen from a Railway Enquiry will be most felt. It will be natural if the Indian commercial community, which is often criticised for being suspicious of British intentions, has keenly felt the distrust and suspicion of Indians shown with regard to the appointment of this Railway Enquiry Committee, and that their interests will inevitably be subordinated in the absence of their viewpoints being passed in the examination of different problems.

Under all these circumstances, my Committee still hope as already expressed in their above telegram that the Government of India will be pleased even now to add Indian businessmen enjoying the trust and confidence of their countrymen to this Committee.

Letter No. 375 dated 3rd November 1936 from Secretary, Railway Enquiry Committee to Chamber.

With reference to your telegram dated 22nd October 1936, expressing disappointment at the composition of the recently appointed Railway Enquiry Committee and the terms of reference framed for their enquiry, I am asked to explain that the Government of India gave these matters their most careful consideration before reaching a decision.

2. The Government of India were convinced of the need of appointing to this Committee acknowledged railway experts and deliberately selected these from other parts of the Empire to ensure that the conduct of the enquiry should, as far as possible, be free from any tendentious character.

3. I am to add that it is understood that Sir Ralph Wedgwood intends to visit the principal cities and towns in India in order to consult Local Governments and prominent commercial bodies. He has so far not issued his tour programme, but there is little doubt that your Chamber will be given full opportunities of expressing their views when his Committee visits Bombay.

Letter No. 2898 dated 12th November 1936 from Chamber to the Government of India.

I am directed to acknowledge receipt of your letter No. 375A–Secy., dated the 3rd November 1936 in reply to the Telegram from the Committee of this Chamber dated the 22nd October. Before your reply reached this office a letter was addressed to you which you must have received already.

My Committee are glad to be assured "that the Government of India gave these matters their most careful consideration before reaching a decision". It is, however, a matter of the deepest regret that even after this careful

consideration, Government appointed a Committee which was unsatisfactory from all points of view. It would appear from your reply that in response to practically the unanimous protests from the Indian commercial community, Government are not still prepared to change their original decision and to associate with the Committee already appointed Indian businessmen who enjoy the trust and confidence of their countrymen. The Government of India are not pleased to offer any explanation as to why such a Committee of Enquiry was needed and why it was thought fit to exclude Indians from such a Committee. They have, however, mentioned in the 2nd paragraph of their letter that they "deliberately selected" Railway experts "from other parts of the Empire to ensure that the conduct of the enquiry should, as far as possible, be free from any tendentious character."

The issue must be serious indeed when Government are obliged for explanation of what they have done, to use a word which is not to be found in any standard dictionary, and which, if at all used is very rare indeed. Government appear to have been anxious to avoid appointing Indians as they were likely to show "tendencies" which would mean tendencies towards maintaining the Indian viewpoint. They have apparently, however, no objection to appointing Railway experts from Great Britain and South Africa who may show tendencies other than those leaning towards the Indian viewpoint; for this "tendentiousness", if my Committee may be allowed to use this word, is not a characteristic only of Indians, but of the whole of humanity.

In the last para of your letter, my Committee are assured that they "will be given full opportunities of expressing their views when his (Sir Ralph Wedgwood) Committee visits Bombay". The Indian commercial community must feel thankful for even this recognition and only trust that Sir Ralph Wedgwood and his Committee may not defeat deliberate object of their selection through any "tendentious character" of the views of my Committee.

APPENDIX 11

Railway Enquiry Committee

Letter No. REC/IX/II dated 14th November 1936 from the Secretary, Railway Enquiry Committee to Chamber.

I am directed to inform you that the Railway Enquiry Committee, presided over by Sir Ralph Wedgwood, is expected to visit Bombay from 7th to 14th December 1936.

I am to ask whether your Chamber desire to place their views before the Committee. If so, I am to suggest that it would facilitate the Committee's work if you could prepare for the Committee a memorandum of points your Chamber would wish the Committee to consider.

I am to state that the detailed programme of engagements for the Committee in each city has not yet been drawn up, but as soon as it is known, I will address you further and arrange with you a suitable time and date on which your representatives can be accorded an interview by the Committee. The place where the Committee will hold their meetings will also be communicated to you.

A copy of the Terms of Reference is enclosed for ready reference.

I am to request an acknowledgment of this letter.

TERMS OF REFERENCE FRAMED FOR THE RAILWAY ENQUIRY COMMITTEE.

To examine the position of Indian State owned railways and to suggest such measures as may, otherwise than at the expense of the general budget (*i*) secure an improvement in net earnings, due regard being paid to the question of establishing such effective co-ordination between

road and rail transport as will safeguard public investment in railways while providing adequate services by both means of transport; and (*ii*) at a reasonably early date place railway finance on a sound and remunerative basis.

Letter No. 2954 *dated* 19*th November* 1936 *from Chamber to the Railway Enquiry Committee.*

With reference to your letter No. REC/IX/II, dated 14th November 1936, I am directed by the Committee of this Chamber to inform you that the following gentlemen will represent this Chamber before the Railway Enquiry Committee during their visit to the City in December next :—

1. Mr. A. D. Shroff (Vice-President),
2. Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.,
3. Mr. Manu Subedar,
4. Mr. Walchand Hirachand, and
5. Mr. R. P. Masani.

The Memorandum containing the points which my Committee desire to discuss with your Committee will follow.

In the meantime, I shall be obliged if you will kindly let me know, at an early date, the date and time when our representatives will be called for the purpose of the interview.

MEMORANDUM submitted by the Committee of the Indian Merchants' Chamber, Bombay, to the Railway Enquiry Committee.

The question of Railway finances has been uppermost in the minds of the people practically since the last half a century. It was the economic and financial aspects of

the Railway working and administration which drew the attention of the then leaders of Indian politics who, while criticising the administration of the country, had naturally to focuss their attention on the extremely bad condition of the Railway finances, which the first four decades of Railways showed in the country. The gravity and seriousness of the position may well be gauged from the fact that from 1858 to 1898, the total lossess aggregated to the enormous sum of Rs. 58 crores. Notwithstanding this economically and financially adverse state of affairs, the State had guaranteed to the shareholders payment of regular interest ranging up to 5 per cent per annum, with the result that, in the words of the late Sir Dinshaw Wacha :

> the deficit had to be made up by the taxpayers and according to official figures submitted in evidence before the Welby Commission that deficit upto 1896 amounted to Rs. 51.84 crores or an average of one crore per year.

The total capital outlay of 253 million sterling earned only 1.20 per cent for the taxpayers after 60 years of Railways in this country. The Railway finances however improved from 1900 onwards upto 1930. The extent of the improvement made it possible to take Rs. 42 crores from the Railway Budget under the Separation Convention towards the General Revenue of the country; also it was possible to build up a Depreciation Reserve Fund to the extent of Rs. 47.38 crores, from which temporary loans to meet deficits in the working of the Railways have been taken to the extent of Rs. 35.57 crores, leaving a closing balance in the fund of Rs. 11.8 crores. But since then they have been showing unfortunately losses every year with the result that the contributions to the General Revenues under the Separation Convention have not been paid from 1931–32 to 1936–37, and the Railways have even been obliged to draw upon the Depreciation Reserve Fund as shown above. It is obvious that if this state of affairs is allowed to continue, not only all the

Depreciation and Reserve Funds will soon be exhausted but the general taxpayer may be called upon to foot the annual bill of deficits for the working of a department which, in any case, ought at least to pay its way.

2. The need for an enquiry into Railway finances began to be vividly felt both by Government and the public as the state of things was vitally detrimental not only to the Railway system, the biggest asset of the country, but also to the General Revenues and prosperity of the country. It may be mentioned that several Enquiry Committees with specific references of enquiring into the Railway position or particular aspects thereof have been instituted since 1921,—all more or less with the object of finding out how Railways could be made a paying investment to the country and not a perpetual and indefinite liability. These different enquiries were : the Acworth Committee (1921), the Inchcape Committee (1923), the Central Legislature Retrenchment Sub-Committee (Chetty Committee of 1931), and the Pope Committee (1933). One fact which clearly emerges from this review of the financial situation of the Railways, and from a consideration of different reports of these Committees, is that the taxpayers, i.e., the State who have sunk a large amount of their capital amounting almost to Rs. 800 crores in their Railways, naturally expect an adequate return on this outlay. The contributions under the Separation Convention of 1924 provides for such a return, and the same should be rigidly followed and not allowed to lapse. Apart from this, a very grave responsibility now rests on the Government as administrators of the State-owned Railways in India. Sir Otto Niemeyer's review of the Central and Provincial finances lays bare the inescapable fact that the only source through which the Central Revenues can be augmented is an annual contribution from the Railways; and if the Railways fail to fulfil this expectation, the success of Provincial autonomy at any rate in the earlier years which would be dependent upon financial contribution from the Centre in the shape of sharing income-tax receipts is foredoomed.

3. The Public Accounts Committee also in their latest Report expressed grave concern over the present state of finances of the Indian Railways and urged an immediate investigation into the same. The case for an enquiry, therefore, into the working of various Railways hardly needs justification. So far as Indian commercial opinion is concerned, we are constrained to repeat what the late Sir Dinshaw E. Wacha said in 1908, viz.:

> "It is a fact that the Indian railway finance from the very first day that the railways were laid out in India has been a series of colossal blunders which would have created a howl in any other civilised country on the Globe;"

and to express our serious concern at the continuance till this day of the same state of affairs. The commercial community only trust that the present enquiry will result in a complete overhaul of Railway finances so as to put them on a sound and paying basis.

4. As critics of the Railway Administrations it would be naturally expected of us to state what in our opinion should be done to bring about the desired objective. The attitude of the commercial community in regard to the working of Railways in India has been stated very clearly in the past and it is only with a view to remove possible misconceptions which may arise as a result of certain recent official utterances, we should like to reiterate our considered opinion that, whilst the Railways must be run on commercial principles, they should as purveyors of cheap and quick transport be regulated by a policy which is closely coordinated with the general economic policy of the country. In our conception it is incomprehensible that the administration of Railways should find explanation for recurring deficits in the policy of discriminating protection adopted by Government and brought into operation by punctillious adherence to elaborate and unduly prolonged investigation. Such attitude on the part

of Railwaymen is clearly suggestive of their habitual persistence in keeping the Railways isolated from and unrelated to other branches of economic life. Similarly requests from the commercial and industrial community for reduction of freights have been interpreted in high official quarters as demand for subsidising industry or agriculture. Here the public must find fundamental difference in our and the Railways' outlook. We hold that if Railways are run on commercial principles, the Administration must not only accept the policy of protection to industries as a settled fact but so coordinate its policy with it as to participate in the ultimate benefits which must accrue to the country if an industry is permanently placed on a thriving basis through protection. No commercial management would hesitate to reduce its charges to stimulate increased use of its services on the ground that it was giving subsidy to its customer. What should be the ultimate and governing consideration is the resultant larger economic advantage to the country through increased movements of goods.

5. The public are not privileged to have complete information about the Railways in India. There must be numerous instances in which considerable economic wastage is involved due to lack of coordination between Railways and other Departments. The attention, for instance, of this Chamber, is drawn to the Kalyan Power House. This Power House, built at a very high cost, generates electricity out of coal brought to Kalyan from long distances, when all the electric power required by the G. I. P. Railway is readily available from Hydro-Electric Companies in Bombay whose rating policy has not so far evoked any adverse criticism. Government have recently instituted an enquiry into the possibility of conserving the coal resources of India and yet they perpetuate the folly through the working of this Power House.

6. Again, forms in which the Railway accounts are published have not been approved of by the public in general and have been on several occasions severely

criticised. It is said, and rightly, that had the Railways been really considered as commercial undertakings, as several times Government say they do, the form of the accounts would have been very different from what it is at present. What is required is a clarification of Railway accounts and a systematic and scientific Railway accounting.

7. The Indian commercial community has always insited on State management of the Railways, a principle which was accepted by no less a body than the Acworth Committee. Since then the following Railways have been taken over by the State: the E.I., the G. I. P., the N. W., the E. B. and the Burma Railways. Contracts with the following Railways expire in the near future, and it is necessary that Government should lay down a definite policy of acquiring these Railways :—

1937, Madras and Southern Mahratta.
1941, Bombay, Baroda and Central India.
1945, South Indian.
1950, Bengal Nagpur.

Such a policy is absolutely necessary not only in the interest of the general administration of the Railways but also for financial reasons. By taking over these Railways Government will be able to secure to themselves the profits which at present go to the shareholders of these Companies and thus to get for the State what is at present secured to the Companies.

8. The whole system of freights and rates was formulated at a time when the Railways had the monopoly as carriers. It was an extremely unscientific system formulated without due regard to the development of trade, commerce, industry and agriculture of the country. The criticism is several times made,—and not without justification—that the Railways in India have been constructed and are being administered more from a military point of view than from the point of view of trade and industries.

Sir T. Wynne, who was once President of the Railway Board, in his recent speech at the General Meeting of the B. N. Railway, of which he is Chairman and Managing Director, observed that

> the working of the Indian Railways lacked something of the real commercial spirit; and that the Railways were not so closely in touch with trade and agriculture as they might be.

Not only that, but the general policy of freights and rates was also more or less dictated by considerations which appear more or less crudely to have obsessed the Railway Authorities, viz., what they were principally concerned with was the export trade in raw materials and the import trade of manufactured articles. This is an inheritance from the *laissex faire* policy which prevailed in this country for a long time, and also shows the influence of the British interests which held predominant voice in the affairs of the Indian Railways at the time. Raw materials were required by the British manufacturers and so every help was to be given to send out these materials from this country, while every assistance which the Railways could give was to be given to the distribution of manufactured articles imported from foreign countries, specially Great Britain. Some of the highest officials of Government, including the late Mr. Noel Paton, the first Director General of Commercial Intelligence had occasion to observe that very little attention was paid to internal trade in this country, though both in point of importance and volume it far exceeded the foreign trade. This indifference to the internal trade is one of the most potent factors in bringing about the present adverse conditions so far as the Railways are concerned. The utter neglect of the internal trade and of agriculture has largely brought about the nemesis of the Railway income not keeping up with the Railway expenditure, as also of the Road competition which found a fertile ground for its development because of the neglect shown by the Railways towards this branch of their natural and legitimate activity.

9. In an earlier paragraph, reference was made to the need for coordinating Railway policy to the general economic policy of the country. Instances are not wanting that the present rates and freights policy has militated against the advancement of industries in the country, showing thereby that Railway freights and rates can make or unmake a trade or industry. Time has, therefore, now come when the whole policy of freights and rates should be reconsidered from a new angle and unless such re-orientation takes place and the policy is correlated to the national economy and industrial requirements of the country, all talk of turning a page in the Railway finance will be mere moonshine.

10. In this connection, we wish to reiterate the Indian demand for the establishment of a Railway Rates Tribunal with statutory powers on the lines of the English model.

11. What has been said above with regard to freights and rates applies, more or less, to the question of fixation of passenger fares. The Railways lack in this regard in scientific salesmanship and steps so far taken to popularise the Railways are entirely inadequate to attract and stimulate greater passenger traffic. The Railways are spending since sometime past a pretty good amount for the so-called publicity propaganda both in Europe and America. Had such a public propaganda been carried on in India, with due regard to the needs and viewpoint of the public, the Railways would have secured a greater return. The third-class passenger in this country is the biggest patron of the Railways, and yet it is this class of passengers which is the most neglected. Whenever amenities are proposed to be given, the benefit thereof goes almost invariably to First and Second class passengers and if any suggestion is made to extend a few of these amenities to the third-class passengers, it is turned down on the ground of financial stringency. How shortsighted such a policy is may be gathered from the following comments which His Excellency the Viceroy considered it necessary to make

whilst addressing recently the Railway Conference Association :—

> "It is the duty of all railway administrations to ascertain what the public want and to do their utmost to provide it, more especially now that other forms of transport are rising up in competition. The services, both for passengers and freight, must be speeded up and passenger amenities must be improved, especially those provided for the humblest class of traveller who forms the bulk of India's travelling public."

12. The question of road–rail competition has been engaging the attention of the Railway authorities and the public bodies for the last few years. This problem has lately assumed such serious proportions that no less a person than the Hon'ble the Member for Railways recently estimated that the loss to Railways from diversion of traffic to roads involved was about Rs. 3 crores. The Government of India have suggested some legislative measures to check what is regarded by the Railway authorities and Government themselves as uneconomic competition between the two forms of transport, and to give powers to Local Governments to regulate and control motor transport. While, it is true that the Indian Railways are a national asset and their financial problems should be the first concern of Government and public bodies, the Committee of this Chamber cannot help feeling that an unsympathetic attitude cannot be adopted towards road traffic. Whilst not attempting to minimise the importance of road competition in reducing the Railway revenue, this Chamber cannot be a party to an attitude of self-complacency recently noticeable amongst railwaymen that all their difficulties are born of this motor competition. As said above, the road traffic has arisen because of the indifference manifested by the Indian Railways towards internal trade and agriculture, and we have to admit and recognise that the motor traffic has brought home both to traders and

agriculturists many amenities which were not adequately provided for by the Railways. This problem is not peculiar to India, but is present in varying degrees in almost all the countries of the world. In view of the attention that is being given to this question in this country at the moment, it would be interesting to know what has been done in other countries in this matter. A comprehensive survey of the position in 40 countries is contained in the volume: "ROAD & RAIL IN 40 COUNTRIES" published by the International Chamber of Commerce. The Report observes :—

> "Road competition has in most cases led the Railways to introduce new methods and services of a progressive character. Some of these are merely an extension or acceleration of measures which the railways were already taking in normal times, but others break entirely new grounds..... The various rates charged are more closely related to the cost price of transportation."

Among the measures taken by the railways in other countries to meet the competition, the following are prominently mentioned :—

1. General reduction in tariffs.
2. Reduction in short distance rates.
3. Shorter delivery period.
4. Introduction of flat rate for transport of parcels.
5. Reduction of load unit wagons.
6. Rebates to traders according to importance.
7. Introduction of various forms of passenger facilities.

There are also various technical and other improvements effected to which the report draws attention. This Chamber is of considered opinion that in view of the

enormous stake of the taxpayer in the successful working of the Railways, railways should be permitted to run their own motor services on parallel roads, provided they do not enter into uneconomic and cut throat competition with private enterprise.

13. One of the biggest problems in connection with Railway management in this country has been the policy in regard to capital programme. The Committee of this Chamber, while they recognise that essential capital programmes should be undertaken, are of opinion that extravagant, imprudent and less urgent items of capital programme should be eschewed altogether. If we may be allowed to put it, it is such capital programmes which have been one of the causes of the ruinous state of affairs into which the Railways have been plunged recently. Take for example, the Bombay Central station which cost more than Rs. 2 crores, and yet it has not resulted in any special facilities to passengers, but on the contrary the third-class passengers have been put to far greater harassment and inconvenience under the new arrangement than was the case under the old. Crores of Rupees also have been spent in changing the layout and plans of the different suburban stations, following electrification of the lines. What the Committee of this Chamber want is that capital programme for this country should be laid down on the lines which are suitable to the peculiar economic and financial requirements of the country and not in accordance with the standards laid down in foreign countries where for example in America Railway stations are laid down at a cost running into millions of Dollars just because of the importance particular cities may have. We cannot do better than quote here the opinion of the Inchcape Committee in this regard :—

> "The real question to be decided is whether, when capital is so urgently required by some railways for remunerative purposes, the country can afford to borrow large sums of money at the present high

rates for expenditure on railways which are not only unable to earn 6 per cent on their present capital but which have to be subsidised by the general taxpayer. We consider that further expenditure on such railways can only be justified if it can be satisfactorily demonstrated that this expenditure will increase the net earnings of the railway sufficiently to cover the additional interest involved."

14. The cry for retrenchment of expenditure in the Railway administration has now become almost chronic, and naturally so, as with all the talks about retrenchment there does not appear to be any genuine desire on the part of the Railway authorities to effect retrenchment of a character which would have any appreciable effect on their budgetary position. Retrenchment has come almost to mean dimissal of a few hands here and there, or curtailment in the salaries of some poor clerks and peons. The position is that unless the mentality of Government is changed and a definite position is taken up with regard to salaries which may or may not be deemed satisfactory for this country, all the steps which will be taken in pursuit of so-called retrenchment will be merely of a slip-shod and haphazard character. It has been several times pointed out that when any posts with big salaries are cut down, some other new posts are seen to arise with equal if not higher salaries. The Committee of this Chamber admit that the Railways attempted a few years back some retrenchment, but the retrenchment fell more or less on the lower paid staff and the disaffection which it caused has been responsible for disorganisation of a somewhat acute character which it has not been yet found possible to set right. If *pari passu* with the retrenchment in the lower paid staff, it had been found possible to reduce the salaries of the higher paid staff and to cut down some of the concessions to which they are entitled, both the staff and the public would have been assured of the *bona fides* of the Railway authorities. The Committee of the Chamber recognise that out of the total of Rs. 30 crores (1932)

for all staff, the wages bill of the staff drawing less than Rs. 50 amounted to Rs. 14 crores, of which Rs. 8 crores were paid to staff drawing under Rs. 30. This does not however mean that because the amount involved is so big with regard to lower paid servants, the retrenchment should apply to them. After all, there should be recognised what is known as the minimum economic wage, and any tinkering with this will not solve the problem of Railway finance but may introduce other and undesirable factors of economic disaffection which is responsible already in this country for many acute political situations. The first thing which strikes the Committee of this Chamber is that the cuts which were applied to the salaries of the staff in 1931 at the time of the financial stringency should have been restored at all, at any rate, till such time as the Railway Budget was completely balanced. The cut meant an annual saving of over Rs. 170 lakhs. Over and above this, it is now high time that the Lee Concessions which were and are given on a liberal and generous scale can no longer be justified and that all these concessions should be stopped forthwith. If the Railway Enquiry Committee go into the details with regard to this question of the Lee Concessions and acquaint themselves with the interpellations which were put at the time in the Legislative Assembly and the criticisms which were made, they will find that there was a scandal about those Lee Concessions which was not edifying to Government. These concessions were given to people who could not, by any stretch of imagination, be included in the class of persons for whom the concessions were recommended by the Lee Commission. It is a festering sore and the sooner it is removed the better.

15. It is the definitely considered opinion of the commercial community that if there is any department more than another in which an accelerated policy of Indianisation is imperative, it is the Railways of India. If Government accept our contention that Railways must be run on business principles,—and Section 183 of the

Government of India Act, 1935, supports our contention,—there is no escape from the necessity of stopping further recruitment of non-Indians and of revising the grades and scales of remuneration strictly in adjustment with the conditions of an economically poor country like India. This cry for Indianisation of Railway services is not inspired by racial fanaticism, but by sheer economic necessity, and should be judged only from a strictly business point of view. As a body of businessmen, this Chamber cannot be unmindful of maintaining efficiency in running Railways but, at the same time, they cannot encourage adoption of standards of efficiency which are both unrelated to the general economic conditions of the country and unjustified by the actual necessities of the case. We have already alluded to the necessity for retrenchment in capital expenditure, and we strongly emphasise the necessity of retrenchment with regard to salaries and other recurring expenditure of the Railways. In this connection, the Committee of this Chamber would like to suggest strongly that Indianisation, if carried out in the right and proper spirit, would automatically bring about a great retrenchment. The Committee recognise that fresh scales have been fixed for new entrants, but they suggest that the Railway Enquiry Committee should see if there cannot be a further revision with regard to these new scales. They will also suggest that the retirement period should always be insisted upon by the Railway authorities.

16. There is also great room for drastic retrenchment in the working expenses of the Railways. His Excellency the Viceroy in his speech at the recent Indian Railway Conference in Delhi observed that there was in evidence a reduction of 10 per cent in the working expenses of Railways between 1929 and 1932. The Committee may be allowed to point out that this percentage is not at all adequate to the real needs of the situation. The Inchcape Committee pointed out in their report that the increase in the working expenses of Railways from 1913 to 1923 was

131 per cent. Since then the Railways have set about reducing their working expenses, but such a reduction should be much more stringent. The Hon'ble Member for Commerce in his speech introducing the Railway Budget for 1936/37 obs rved that the continuous pressure on Job analysis and examination of all items of expenditure, however small, with object of relentlessly eradicating waste and extravagance, might result in some further savings in expenditure. Waste and leakage in public departments constitute a heavy drain on the resources of the country. The Railways are notorious for the venality of their staff and the consequent loss of revenue. The Committee of this Chamber, therefore, cordially endorse the recommendation of the Commerce Member and hope that retrenchment in working expenses will be relentlessly carried out. The whole tenor of the recommendations of the Pope Committee was that maximum efficiency and economy on the Indian Railways can be secured only by constant organised research and investigation into every man, hour and every item of material used, and that no saving was too small to be ignored.

17. Railway economy is suffering to a very large extent from different railways working as independent units and the absence of proper co-ordination and grouping between different railways. It has been a grievance long since that wagons of different railways are not utilised to their fullest extent and as a result of the absence of co-ordination wagons are returned as empties from one section of the country to another. If there had been proper co-ordination, those wagons would have been utilised in the carriage and transportation of goods. It would, therefore, be worthwhile for the Railway Enquiry Committee to find out as to what is the mileage run by wagons in different Railways and what would be gained by the co-ordination of railways to a larger extent than what they have been doing with regard to pooling of wagons. This is only one question out of so many which justify or which makes it extremely and vitally essential

why the different railways should be grouped or amalgamated. Besides the question of wagons, there is the question of stores, workshops, administration, etc. The Inchcape Committee observed in their report:

> "It is generally agreed that large economies could be effected by grouping the Railways on the lines recently adopted in Great Britain.....We consider the existing systems could well be amalgamated into say, five groups....."

Similarly, the Pope Committee observed:

> "The economies obtainable through amalgamation of railways into a number of groups are so evident that the Committee cannot conclude their report on possible improvements in efficiency and economies in the operation of railways in India without reference to the question.
>
> "In Bombay, for example, the economies derivable from amalgamation of workshop resources, accounting staff, etc., between the G. I. P. and the B. B. & C. I. Railways are obvious. Somewhat similar circumstances exist in Calcutta area with respect to the East Indian and East Bengal Railways".

It may be mentioned that the Chief Commissioner of Railways, in one of his interviews with the Committee of this Chamber, recognised that this coordination and amalgamation was one of the pivotal questions with regard to Railway finance. Even if such amalgamation or grouping of railways be not immediately practicable, there is no reason why efforts should not be made to group or centralise all the railway workshops, as a first step. There is bound to be considerable saving in expenditure if all the railway workshops are thus centralised.

18. Indian Railways have been lately purchasing stores worth about Rs. 14 crores, the bulk of which is

made through the Railway Stores Department, instead of through the Indian Stores Department. The Indian Stores Department of the Government of India, it may be mentioned, affords a very useful machinery for effecting purchases in the most competitive markets and in a most economic way for the railway stores. The Committee of the Chamber beg to suggest that the Railway Enquiry Committee should definitely recommend that the Indian Railways should effect all their purchases through the Indian Stores Department. The Committee are sure that if this is done, the economies thus effected will not be inconsiderable to the Railways. The Committee of the Chamber are informed that the balance of stores with the different Railways in this country is about Rs. 10 crores. This is perhaps too large a figure, and the Committee would suggest that all the different railways in India should be asked to reduce this balance of their stores as much as possible. With the gradual development of industries in India, it should now be found possible to obtain a fair proportion of the railway stores in India. Information is not readily available as to the policy so far pursued by the railway department. This Chamber would like the Committee to enquire into the actual position at present and to recommend that stores obtainable in India should not be stocked to last more than two months, whilst those imported from abroad may be held to cover six months' requirements. In all big industrial establishments stores constitute a fruitful source of wastage, if not also pilferage. We have no information about the practice adopted in railways in regard to issue of stores to various departments and would suggest, therefore, a close scrutiny with a view to institute the latest known methods of checking wastage.

19. In conclusion, this Chamber would like to press before this Committee their firm conviction based on long experience and observation of the working of Railways in India that a pre-requisite to the rehabilitation of railway finances is a radical change in the policy of the department towards recognition of the true position

occupied by railways in the economic and social life of India. There is perhaps no other Government Department in a country of such vast distance like India which has within its scope possibilities of rendering service which far transcends in its ultimate reaction on our economic life the mere facilities for transport of goods and passengers. Railways in modern civilised conditions are literally the feeders of our economic life and if this function is to be truly and successfully fulfilled the administration of railways must carry with it the goodwill not of sections but of the whole population who constitute their clientele. And this Chamber is convinced that unless Indians, and particularly Indian businessmen are actually associated with the management of railways and supply the much-needed business outlook in running an essentially commercial service, the chances of an early return of railway finances to a paying basis must recede further and further in the background.

APPENDIX 12

Railways Act Amending Bill to check Ticketless travelling

Letter No. 427/36-Ry. dated 9th June 1936 *from the Government of Bombay, P.W.D. to Chamber.*

I am directed by the Governor in Council to forward herewith a copy of the Indian Railways (Amendment) Bill (*not printed*) as introduced in the Indian Legislative Assembly on 23rd March 1936, together with a copy of the Statement of Objects and Reasons, and to request that Government may be favoured with an expression of your Committee's opinion on the provisions of the Bill by the 15th July 1936 at the latest. (Refer to file R. 68 of 1936.)

Letter No. 1707 dated 9th July, from Chamber to Government of Bombay.

With reference to your letter dated 9th June 1936, No. 427/36-Ry., I am directed by the Committee of this Chamber to send hereby their views.

The two major amendments sought by the Bill are—

(1) Provision for penalising ticketless travelling by infliction of a sentence of imprisonment which may extend to two months;

and

(2) onus thrown upon a ticketless traveller to prove that there was no intention to defraud.

My Committee are generally agreed that the abuse of travelling without tickets is one which calls for serious attention and in checking the evil the Railways should have public co-operation and should be armed with sufficient powers to check ticketless travelling. They however feel that these extraordinary powers sought to be conferred on the railways might in actual practice work harshly on passengers who really do not intend to defraud the railways. My Committee are of opinion that it should therefore be advisable to provide that if a passenger informs the railway staff either at the starting station before he gets into the train or at the next stopping station that he had no time to purchase the ticket and was travelling without ticket and tenders the fare due to the railway, he should not be brought within the clutches of the new Act.

My Committee, while they approve thus of the main provisions of the Bill, are of opinion that it is the duty of Railway Companies themselves to improve their organisation for checking the evil of ticketless travelling. They admit that the number of ticket examiners and inspectors has been increased in recent times. This alone however is not sufficient. It should be made difficult, if not impossible, for people without tickets to get access to station platforms

and for this it is essential that the fencing on the platforms and also upto a little distance should be constructed in such a manner that no member of the outside public could come in. It several times happens that the railway staff does not begin selling tickets till a rather late hour, with the result that the train steams in and passengers, at least some of them, rush in without tickets. Booking offices should therefore be kept open, at least in big stations, throughout the day, or branch booking offices may be opened in the towns themselves. It is also feared that the evil has grown and survived because of the collusion of the railway servants and that unless the Railways take steps to check effectively misfeasance on the part of their servants, it will be impossible to eradicate the evil, notwithstanding any penal provisions against such ticketless travelling.

In conclusion, my Committee hope that the provisions of the Act will be worked sympathetically and not harshly, and that it will be borne in mind that the new Act will be still an experiment and that the main objective is to warn people against dangers of ticketless travelling and not to penalise passengers.

APPENDIX 13

Interview with the Chief and Financial Commissioners of Railways

A meeting of the Committee was held on Friday, the 7th August 1936 at 3-0 P.M. (S.T.) to have an interview with Sir Guthrie Russell, Kt., and Mr. P. R. Rau, the Chief and Financial Commissioners of Railways respectively.

Sir Rahimtoola M. Chinoy, President, in welcoming Sir Guthrie Russell and Mr. P. R. Rau on behalf of the members of the Committee, made the following observations in regard to the various questions that the Committee had tabled down for discussion with them:

Sir Guthrie Russell and Mr. Rau,

Let me accord to you a hearty welcome, on behalf of the members of the Committee of this Chamber, on your visit to us this afternoon. Your visit is now an annual function, to which we are looking forward always with some expectancy, and though these interviews may not be followed in all cases by any tangible beneficial results, they provide opportunities for better understanding of our mutual view points.

Statutory Federal Railway Authority

The first item, which my Committee have tabled on the agenda, is with regard to the proposed Statutory Federal Railway Authority. The views of my Committee on this question were communicated to Government sometime back and these views were further amplified in the speeches of the Chamber's Presidents. The necessity has not yet been proved for the establishment of such a Railway Authority as is being contemplated to be set up under the Government of India Act, 1935. The ultimate aim of the Government of India Act is to transfer to the representatives of the people increasing responsibilities in the governance of the country and it is therefore difficult to understand why it is proposed to set up now a Railway Authority, which will not be amenable to any control by the Legislature. The financial position of the Railways has been the subject of much public attention during recent years, and has naturally been causing much anxiety to the commercial community, which considers itself as the watch-dog of Indian economic and financial interests. The administration of the Indian Railways has been subjected to a great deal of criticism of late and the commercial community is therefore considerably surprised to learn of the proposal to place the Railway administration as an independent and irresponsible entity not responsible to the Indian Legislature. The suggestion of my Committee was that if and when the Federal Assembly is constituted, that body should be

entrusted with the task of setting up a Railway Authority on lines acceptable to public opinion. The Indian commercial community at any rate is very strongly opposed to some of the objectionable principles contained in the Government of India Act in regard to the provisions for the constitution of the Federal Railway Authority. Under those provisions the Railway Budget is not to be subject to the vote of the Legislature. To this principle the Indian commercial community cannot subscribe at any time. In any event no such organisation as is now contemplated should be foisted upon the country now as difficulties may arise afterwards for the Federal Assembly to alter the constitution in the desired manner then.

Enquiry into Railway Finances

As I have just mentioned, the question of the Railway Finances has been an absorbing topic with the public in general and especially the commercial community for some time past. It is very significant that whereas in the year 1924/25 the working of the Indian Railways showed a surplus of Rs. 13 crores, in 1930 it showed a deficit of Rs. 10 crores. Recently the deficit has been reduced to between Rs. 4 and 4½ crores. There is thus a remarkable deterioration of about Rs. 23 crores in the earnings of the Railways over the last five years, causing a serious depletion of reserves and the depreciation funds. The Railways are the most important asset of the people of this country and it is not therefore to be wondered at that the unsatisfactory state of Railway finances should cause apprehensions in the public mind and there should be a demand for a thorough and searching enquiry into its causes. Although public demands for such enquiries have been met by Government on certain occasions, my Committee are sorry to say that the procedure followed by Government in the conduct of such enquiries has invariably been extremely unsatisfactory, in that all the major enquiries conducted hitherto into the working of the Indian Railways has been done by an individual expert assisted by one or two Railway officials.

These experts have been in most cases foreigners, who though possessed of the requisite knowledge, ability and experience to conduct such enquiries were nevertheless unacquainted with Indian conditions and were therefore unable to appreciate the peculiar needs of India. My Committee, therefore, whilst admitting the necessity for expert assistance in such enquiries, would like to emphasise the need for Indian businessmen being associated with such enquiries in order that business outlook and business methods may be brought into application to put the Railway finances on a commercial footing, namely, to make the Railways pay their ways. An enquiry into the Railway Finances is urgently called for but to have this enquiry placed in the hands of one or two foreign experts would be merely tinkering with the issue and would be entirely unsatisfactory.

Enhancement of freight rates.

The adverse financial condition of the Railways led the Hon'ble the Commerce Member to remark that the deficit would have to be met, to some extent, by an increase in freight rates; and you also, Sir, have stated that you propose to stimulate your earnings by making certain adjustments in your rates and fares. As a result of this, a list of some 200 articles was forwarded to the various Chambers of Commerce for opinion regarding the enhancement of freight rates for the same. As my Committee pointed out in their reply, many of the articles mentioned in the list relate to agriculture or to small industries, and it would be a great hardship to those interests if the proposals to enhance freight rates were put into effect. I am afraid, therefore, we differ from Government fundamentally on these issues. We firmly believe that the remedy for getting increased revenue does not lie in the enhancement of freight rates, but rather in the opposite direction, namely, in a wise and judicious reduction of freight rates and passenger fares and by making Railway travel more attractive and comfortable particularly to lower class passengers. Railways in foreign countries

are run on pure and simple commercial principles, whereas in India a great deal of red-tapism is allowed to stand in the way of their operating on a commercial basis. For instance, Railways in foreign countries spend substantial sums in bringing to the notice of the people places of interest where holidays could be spent and holiday excursions are planned throughout the year by Railway administrations and travel attractions kept constantly before the public by advertisements and propaganda. Private Tourist Agencies are offered inducements to obtain travel and Steamship Companies also cooperate with the Railway administrations. In India there is a standing complaint on the part of Tourist Agencies that similar inducements are not granted to them by Railway administration with the result that there is no particular desire on the part of Tourist Agencies to canvass for inland travel. My Committee would greatly appreciate these suggestions being considered by the Railway Authorities. If the Railway administration were to adopt the shortsighted policy of enhancing freights and passenger rates to increase their revenue, they would be merely killing the goose that lays the golden eggs. In other words, they would be merely driving away a considerable portion of the existing traffic to roads.

Road-Rail Competition.

This brings us to the next item on the Agenda, namely, competition of Motor Transport with the Railways. My Committee have noted that Motor Transport has been rapidly increasing in India during the past few years, but are unable to state at present with any precision as to how much of this increase is attributable to the natural development of road transport in India and how much of it can be attributed to diversion of rail traffic to road traffic. It would appear, however, that Government have already come to the conclusion that one of the causes for the deterioration in the earnings of the Railways is definitely attributable to competition from road transport and my

Committee note that the matter was discussed at some length by the Transport Advisory Council during its recent sittings in Simla and that as a result legislation for the better control of road traffic is under contemplation by the Government of India. Whilst my Committee appreciate the necessity to safeguard the interests of the Railways, my Committee also desire to emphasise the importance of the existence of an adequate and comprehensive system of road transport in India as an integral part of the internal communication system in this country. In considering this problem it must not be forgotten that a great many of the commercial motor vehicles operating in this country actually act as feeders to the Railways and a comparison of conditions prevailing in other parts of the world where Railways are operating profitably and where motor transport is also highly developed discloses the fact that the number of motor vehicles operating in India compared to the total railway mileage is the lowest. Any legislation for the control of motor transport in India must also take into consideration the large public and private investments in this trade which caters to the needs of important trade interests in the country. In this connection my Committee have noted with great regret that non-official commercial interests were not associated with the deliberations of the Transport Advisory Council and my Committee feel that in order to ensure a proper examination and correct appreciation of the various aspects of road transport vis-a-vis rail transport, it is extremely desirable that for the further examination of this important question non-official trade interests should be invited to assist the Transport Advisory Council.

Railways Act amendment to check ticketless travelling.

The next item on the Agenda concerns the proposed amendment to the Indian Railways Act to check ticketless travelling. My Committee have approved of the principle underlying the Bill, but at the same time they desire to point out to you certain grave dangers in the way of the practical administration of this piece of legislation.

You will have observed from our representation already addressed to Government on this subject that we have expressed the view that the Railway administration is also to a large extent responsible on account of its faults of commission and omission for the growth of the evil of ticketless travelling. Several complaints have been received by my Chamber to the effect that the relatives and friends of Railway employees are the principal sinners in ticketless travelling. Many complaints have also been received by my Chamber of unscrupulous Railway employees harassing and defrauding ignorant and illiterate Railway passengers. The chief and most popular method of fraud perpetrated by unscrupulous Railway employees being to issue tickets for shorter distances to illiterate travellers and the receipt of illegal gratification at the other end from the same traveller. We are afraid, therefore, that unless the Railway Authorities bring into being immediately adequate machinery to supervise and control the efficient administration of the proposed piece of legislation it will lead to more abuse than in any appreciable increase in revenues to the Railways. My Committee have approved as an experiment of the principle of checking the evil of ticketless travelling as they recognise that any loss of revenue to the Railways on this head is a direct loss to the general taxpayer; but at the same time my Committee feel that innocent men and women should be protected adequately from being penalised and annoyed by dishonest Railway employees.

Concessions to Demonstrators, Associations and Parties taking part in Fairs and Exhibitions in the Country.

My Committee have recently suggested the desirability of the grant of concessions to large Parties, Demonstrators and Associations travelling to and from Fairs and Exhibitions in the country with a view to attract traffic. We hope the suggestion will meet with your approval.

Roofs over Bridges and Platforms.

A serious grievance which I should like to bring to your notice on this occasion is the inconvenience caused to the public while going over bridges and station platforms. Most of these are uncovered and afford no shelter during the rains. For instance, the Baroda Mill Owner's Association and others have repeatedly brought to the notice of the B. B. & C. I. Railway authorities the need for the construction of a roof over the bridge and its extension to the platform at Baroda station. The question has been hanging fire for a number of years and nothing has yet been done in the matter. The B. B. & C. I. Railway formulated in the year 1933 a programme for the provision of permanent monsoon protection to the overbridges on the local section of the Railway and it was hoped that at least the local passengers would get some relief within a short time. But the work of the protection to the stairways and bridges at only two stations has so far been completed and the grievance of a large number of public using other local stations still remains unredressed. We hope you will kindly have these matters looked into. It may be said that in one breath we ask for a reduction in freight rates and passenger fares and in another we demand costly convenience and comfort. We have already indicated how in our opinion the income could be increased and at this stage I need only mention that, inspite of retrenchments carried out, there is still a vast scope for cutting down establishment and working charges.

* * * *

In the general discussion that ensued Mr. A. D. Shroff (Vice-President), Mr. Manu Subedar, Mr. Behram N. Karanjia, Mr. Gordhandas G. Morarji and Mr. Sarabhai Prataprai took part.

Sir Guthrie Russell and Mr. Rau made suitable replies to the points raised during the discussion.

APPENDIX 14

Reduction in freight on foodstuffs required for famine-stricken areas

Letter No. 2338 dated 12th September 1936 from Chamber to the Traffic Managers, B. B. & C. I. and G. I. P. Railways.

The attention of the Committee of this Chamber has been drawn to famine conditions prevailing in some of the districts through which your Railway is passing. My Committee feel that one practical measure of help to the ryots and cattle in these districts would be to reduce railway freight charges for foodstuffs and fodder. They request you, therefore, to consider this question favourably and to reduce railway freight charges for foodstuffs and fodder which will be a great help to the people in these districts.

Letter No. RC1/807/36 dated 18th September 1936 from the G. I. P. Railway to Chamber.

I beg to state that during the periods of fodder scarcity we grant concession rates for the carriage of fodder or forage appearing in Chapter II pages 54 and 55 of this Railway's Goods Tariff Part I. A. No. 1 of 1936 subject to the conditions given therein on advice from the Local Government to the Railway Administration that there is a scarcity of fodder.

In accordance with the advices received from the Officiating Secretary to the Government of Bombay Revenue Department, Bombay the famine concession rates for fodder or forage referred to above have been allowed from the stations on the G. I. P. and B. B. & C. I. Railways situated in the Thana District to the stations on the G. I. P. and B. L. Railways situated in the Sholapur District and to the stations on the G. I. P. Railway in

the Ahmednagar District (Dhond–Manmad Line) on and from the dates given below:—

1. From 18th August 1936 to stations situated in Ahmednagar District.

2. From 7th September 1936 to stations situated in Sholapur District.

Only consignments ordered by the Collectors of Ahmednagar and Sholapur or consigned to them are charged the above concession rates.

It is regretted that a general reduction in the rates for foodstuffs over this Railway as requested, cannot be given.

Letter No. R1366/11/P.IV dated 17th September 1936 from B. B. & C. I. Rly. to Chamber.

With reference to your letter No. 2338 of 12th instant, I beg to state that, at the request of the Government of Bombay, the usual famine concession rates for fodder or forage from stations in the Thana District on this Railway to certain stations in the Ahmednagar and Sholapur Districts on the G. I. P. and Barsi Light Railways have already been notified. Instructions have also just been received from the Local Government to apply the famine concession rates on consignments of fodder ordered by the Collector of the District in which the places in Gujerat reported by the Commissioner lie. The list of places in Gujerat is awaited.

Concession rates for fodder can only be notified if authorised by the Local Government who bear part of the freight charges.

APPENDIX 15

Concession in Railway Freight on dry Cattle

Letter No. 2723 dated 24th October 1936 from Chamber to the Secretary, Railway Board, Delhi.

I am directed by the Committee of this Chamber to bring to your attention certain conditions in Bombay which operate very harshly upon the wealth and breed of the cattle in this country. Bombay with its large population requires a large quantity of milk and this is being supplied by Gavalies and stable keepers both in the city and the suburbs. My Committee are informed that the number of cattle imported into the City annually is between 35/40,000. The young calves which are accompanying the milch cattle are however not maintained by these stable keepers for reasons of space as well as economy and are practically killed on account of malnutrition within a few days of their arrival. This means a loss of about 20,000 calves every year, which is not an inconsiderable loss to the cattle wealth of the country. The milch cattle which have come here become dry after 7 or 8 months and the stable keepers find it not paying to send them back to the farms or forests in upcountry, on account of railway freight charges and so they sell these cattle to the slaughterhouses for a trifling amount. In this wise it is estimated that about 20,000 cattle are slaughtered every year which cannot be considered a small drain on the agricultural resources of the country. As stated above the number of cattle imported into the City is between 35/40,000. As against this the number of cattle exported upcountry is about 5,000. The number of wagons unloaded in Bombay is about 5,000 and the number of wagons loaded from Bombay is about 600/700; the number of empty wagons returning thus being about 4,000. This will show how out of the total imported cattle, a large number is slaughtered.

What my Committee now suggest is that the Railway Board should issue instructions to all the Railway companies specially those with their termini at big cities and towns that they should lower railway freight for dry cattle exported from these cities. As a matter of fact, responding to a demand from the Bombay Humanitarian League the B. B. & C. I. Railway reduced their freight for export of dry cattle by 25% but this was done only for four months in 1935 and also four months this year. My Committee are informed that even this small reduction for a temporary period resulted in an increase in the export of cattle from Bombay to the extent of 23%. The problem to which my Committee have referred to in this letter cannot be solved by such measures. The railways must come out with a liberal reduction, say of 75% in the export freight for dry cattle. Even supposing such a concession is given my Committee presume that the railway companies will not have to bear much loss, in fact, may perhaps gain some income.

His Excellency the Viceroy has recently been devoting a good deal of attention to the question of the improvement of the breed of cattle in this country. The suggestion, which my Committee are putting forward in this letter, is in the same direction and my Committee hope that under the circumstances the Railway Board will be pleased to issue instructions to all the railway authorities to reduce freight for the export of dry cattle by 75% as also to reduce freight for milch cattle when they are returning from upcountry with their calves.

Letter No. 203-T dated 11th November 1936 from Railway Board to Chamber.

With reference to your letter No. 2723 dated the 24th October 1936, I am directed to state that Railways fully recognise the desirability of cooperating to facilitate the movement of cattle, and it was with this end in view that in 1929 they decided to reduce the rates then generally

applicable by 20%. Since then, the rate for cattle consigned by goods train from a station on a broad gauge line has been four annas per 4-wheeled vehicle per mile. For no other traffic of corresponding value is a rate quoted which gives so low a return as four annas a mile, and there is, therefore, little, if any, scope for a reduction in this rate. In the circumstances, the Railway Board are unable to accept your Committee's suggestion for a general reduction in the freight rates for both milch and dry cattle to all large cities and towns.

2. I am to add, however, that a copy of your letter under reference is being forwarded to the Agents, B. B. & C. I. and G. I. P. Railways, for such action as they may consider desirable in regard to movements to and from Bombay to which special reference has been made by you.

APPENDIX 16

Increase in Railway Freight on C. P. Coal

Letter No. 2968 *dated* 20*th November* 1936 *from Chamber to the Railway Board.*

The attention of the Committee of this Chamber has been drawn to a recent proposal of the Railway Board to increase the railway freight on coal from the Central Provinces collieries over the G. I. P. Railway, and I am directed by my Committee to address you in that regard as under :

When an increase in the freight on C. P. coal over the G. I. P. Railway was made in 1934, my Committee had addressed your Board strongly protesting against the same and pointing out that such an increase would adversely affect the textile industry using C. P. coal, as well as the C. P. collieries. My Committee are surprised to find that the Railway Board have again come forward with a

proposal to increase the freight on C. P. coal over the G. I. P. Railway. The Railway Board must no doubt be aware of the depressed conditions both of the textile industry in the country and the collieries situated in the Central Provinces. It is, therefore, deplorable that at a time when, if anything, some relief is needed by way of reduction in railway freights on coal over all the railways, the Railway Board have thought it proper to propose a further increase in freight on C. P. coal moving over the G. I. P. Railway. The only effect of such a proposal would be to accentuate the depressed condition of the textile industry using C. P. coal, and also to adversely affect the interests of the C. P. collieries.

Under the circumstances, my Committee request the Railway Board to be pleased to withdraw the present proposal in the interests of the Textile industry and the C. P. collieries.

APPENDIX 17

Enhancement of Railway Freight on over 200 Commodities

(NOTE.—The list of Commodities on which increases were proposed is not printed, but can be referred to in Chamber's file R. 80A of 1936).

Letter No. 1516 *dated* 16*th June* 1936 *from Chamber to the Secretary, Indian Railway Conference Association.*

I am directed by the Committee of this Chamber to acknowledge receipt of your letter No. T97/XVII/13 of the 7th May 1936 regarding the proposed enhancement of class rates for certain commodities. The accompaniment to your letter has been carefully considered by my Committee.

They are surprised to read the list of articles the classification of which is proposed to be enhanced. This

list covers some 200 articles and the percentages of increase vary from 7 to 48 and in one case to 79. The articles given in the list affect practically almost all the industries as also agriculture. It is a matter of the deepest regret that the railways and Government should have thought of adopting this means to increase the revenue of railways at a time when, as the Hon'ble Member for Commerce himself put it, railways were passing through a period of depression. The railway budget has been showing a deficit for sometime past and the commercial community was expecting some such move from the statement appearing in the speech of the Hon'ble Commerce Member. The increases in railway freights and passenger rates have, unfortunately, been the favourite method for raising railway revenues in this counntry and it has not been abandoned though Government have been disillusioned on more occasions than one at the failure of response and the necessary reaction to it from railway earnings. The general principles of economics and the experience different countries have had of the working of railways in their jurisdiction have made it abundantly clear that if the railways are passing through a period of depression and the railway budget is showing a deficit, the best course is not to raise the rates or fares, but to reduce them and to provide additional facilities and amenities for passengers and the business community in order to attract more traffic both of passengers and goods. Unfortunately, in this country quite a different procedure is being followed, resulting not only in losses to Government revenue but also in a heavy setback for trade, industries and agriculture.

From the efforts being made by His Excellency the Viceroy to give an impetus to the development of agriculture one would have expected that the railway companies had pursued a policy calculated to prove beneficial to agriculture. Instead of this we find that agricultural products are going to have their freights increased as also materials necessary for agriculture. Thus axles, wheels, etc., of country carts are going to have their freights

increased by 48%. Similarly, carts, all steel with or without pneumatic tyers, carts, all steel in pieces or parts, carts, country, N. O. C., are all going to have their freights increased by 34 to 48 per cent.

Cashewnuts which is a growing industry is to be penalised to the extent of 8% and chillies, which form one of the principal articles in the scanty dietary of the poverty-stricken people of this land is also going to be mulcted by 10%.

The agricultural districts specially in this monsoon season are suffering to a large extent from the epidemic of Cholera and the Government of Bombay have already issued a serious warning with regard to the breaking out of this epidemic in a virulent form this year on account of extreme heat and the draught which has continued upto now. Disinfectant liquids and powders are now, however, proposed to have their freights raised by 10%.

Eggs which form a growing agricultural industry are to have their freight raised by 10%.

Fishing industry is a new industry which provinces like Bombay have taken up and yet railway authorities have diverted their attention to it and proposed to increase the freight by 10%.

Fruit juice or Syrup is another of the small industries which is bound to develop in time in this country and the increase of freight on the same is 24%.

Garlic, ghee, gingelly oil in bottles, ginger, etc., all come in for their due shares of increase.

His Excellency the Viceroy also urged a more Milk Campaign in one of his recent speeches and the railways are seriously suggesting an increase of 8% in its freight as if to serve a counterblast against the efforts of His Excellency to improve agriculture!

Soap is a purely Indian industry which has in recent times grown up to a decent proportion. Now it is proposed to increase the freight by 19% on the same.

Besides these articles referred to by my Committee there are several articles which are important and essential for different industries and yet all of them are marked down for serious increases.

My Committee beg to state that the effect of these increases will be to inflict a serious blow to the development and organisation of the industries and the improvement and development of agriculture. Government cannot be unaware of the serious competition the railways are facing from motor buses as they themselves have held conferences and appointed officers to report to consider the serious issues arising from this competition. The railways now will have to face the competition not only from motor buses carrying passengers, but also from motor trucks carrying goods. Instances have come to the knowledge of my Committee where cotton is now got into Bombay from places as distant as Akola by motor trucks. Even now motor trucks are freely used for carrying daily supplies of vegetables and other necessities of the market and if the short-sighted and ill-considered policy of increasing freights for 200 articles enumerated in the accompaniment to your letter is followed, time will soon come when motor trucks, despite the heavy duties which are levied on them, will enter into a serious competition with the railways.

The Committee of this Chamber realise and appreciate that the railways are after all the assets of the nation and under ordinary circumstances have tried what they can to see that the railways are not put to any unnecessary loss or are not hampered in their work. If the situation is going to develop on the lines of the suggestions made in the accompaniment to your letter, they will have to sympathise with the competition which may be

started against the railways, either by motor buses or motor trucks, as, surely, industries and agriculture cannot be allowed in these days, to go to ruin because railways are not able to make both ends meet.

APPENDIX 18

General enhancement of freight for nearly 200 articles over G. I. P. and B. B. & C. I. Railways

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(NOTE.—Joint letter dated 2nd December 1936 from the two Railways not printed, but can be referred to in Chamber's file R. 80B of 1936).

Letter No. 3359 dated 29th December 1936 from Chamber to the Traffic Managers of the G. I. P. and B. B. & C. I. Rlys.

I am directed by the Committee of this Chamber to acknowledge receipt of your letter dated the 2nd December 1936 regarding enhancement in the classification of certain commodities and to submit their views on the same as under:

My Committee have carefully gone through the whole list of articles, the class rates of which are proposed to be enhanced. In this connection, my Committee may well draw your attention to their representation to the Railway Conference Association strongly protesting against the proposal to increase the freight rates on about 250 commodities, a copy of which is enclosed herewith for ready reference.

The enhancements in the class rates for over 200 articles from this original list of 250 articles are most of daily use and agricultural and manufactured products. My

Committee see no reason why they should change their original opinion regarding the increase in class rates of these articles. If the proposal to enhance the class rates is given effect to, it would adversely affect the common people, the agriculturists and industrialists as fully explained in our representation to the Indian Railway Conference Association. My Committee are convinced that the present state of trade, commerce and industry does not permit, under any circumstances, of increases in freights and rates. Under the circumstances, my Committee are not prepared to support the proposal to enhance the class rates under reference.

APPENDIX 19

Increase in Railway freight for Piecegoods, Sugar, etc.

Letter No. 14559-M/742 dated 6th November 1936 from the Agent, G. I. P. Railway to Chamber.

The Railway Board have sanctioned the following enhancements in the maximum class rates chargeable for the above commodities :—

	Existing class rates.		New class rates.	
	Ry. risk.	**Owner's risk.**	**Ry. risk.**	**Owner's risk.**
Piecegoods, cotton, etc., press-packed	4A	4	4B	4A
Sugar	2	–	2A	–
Tobacco, manufactured	4A	4	4B	4A
Tabacco, unmanufactured	4	–	4A	–
Kerosene oil	2B	2	2C	2A

2. As your Chamber are no doubt aware, with effect from 1st May 1936, the number of classes in the General

Classification of Goods was increased from ten to sixteen. The following is a comparison of the old and existing class rates:—

Prior to 1-5-36 (old)		From 1-5-1936 (existing)	
Class.	Pie per maund per mile.	Class.	Pie per maund per mile.
1	.38	1	.38
2	.42	2	.42
		2A	.46 (new)
		2B	.50 (new)
		2C	.54 (new)
3	.58	3	.58
4	.62	4	.62
		4A	.67 (new)
		4B	.72 (new)
5	.77	5	.77
6	.83	6	.83
		6A	.89 (new)
7	0.96	7	.96
8	1.04	8	1.04
9	1.25	9	1.25
10	1.84	10	1.84

It will be observed that there has been no alteration in the basis of the old class rates, and that the alteration was confined to the interpolation of additional class rates between two old class rates where there was a large difference in the rates per maund per mile chargeable. Thus three new classes have been inserted between the old classes 2 and 3, two new classes between the old classes 4 and 5, and one new class between the old classes 6 and 7. In the past, railways have frequently experienced difficulty in allotting suitable class rates to various commodities owing to these large differences which have existed between certain of the old class rates. This difficulty is solved by the new arrangement of the class rates.

3. The enhanced class rates for the five commodities now under consideration in all cases make use of the new class rates. The actual percentage increase in the basis of charge for each of the commodities when carried at class rates and the additional cost to the public in pies for each hundred miles are shewn in the following table:—

	Percentage increase.	Additional charge per md. per 100 miles in pies.
Piecegoods	8	5
Sugar	9	4
Tobacco manufactured	8	5
,, unmanufactured	8	5
Kerosine oil	9	4

It should be noted that this increase in the class rates does not necessarily involve an increase in rates for all movements of the above commodities by the amounts shewn in this table. It is not the present intention to increase reduced station-to-station rates which are now in force and had been introduced to meet the requirements of particular movements of traffic. Such rates will continue to be fixed on considerations relevant to the particular circumstances. In regard to another type of reduced station-to-station rates—those which have been quoted by reason of rates available on other railways or by other routes—the action to be taken by the G. I. P. Railway will depend upon what is done by other railways, and if any increases in such rates are decided upon, full notice of such changes will be given in Rates Circulars in the usual way. It can be stated that these enhancements in class rates will not affect a considerable volume of traffic. In regard to other rates which are not at present depressed on account of either of the circumstances mentioned above, the G. I. P. Railway will always be prepared, as heretofore, to consider retaining rates at their existing level between particular points where it is shewn that the increase would not be justified.

4. Your Chamber are aware that the present financial condition of Indian railways is a matter for concern. So far as is possible, railways are endeavouring to improve the position. Measures to reduce expenditure are under continuous examination, no less than measures to increase revenue. This letter is concerned with measures to increase revenue and while the G. I. P. Railway is aware that in certain quarters the view is held that the best way to achieve this object is by a general reduction in rates, this Railway believes, from examination and experience of traffic movements, that the proper course to pursue is to reduce or increase rates as particular circumstances warrant. Reductions in rates are continually being made and will continue to be effected where desirable. Similarly, certain enhancements in rates have already been effected and others may be brought into force from time to time where investigation shows that they can be justified.

5. Applying the above considerations to the five commodities which form the subject of this letter, it may be stated that it has been felt for some years that an increase in rates was justifiable and necessary. As already explained, however, the classification as it existed prior to 1st May 1936, contained no class into which these commodities could be transferred without involving very heavy increases in rates. As this defect has been removed, it is considered that the increases detailed in para. 1, which do not affect the whole of the traffic in these commodities, should be no longer delayed. I give below a few notes on each of these commodities:—

(*a*) **Piecegoods:**—On the G. I. P. Section of the G. I. P. Railway (from Bombay to Jubbulpore, Bombay to Nagpur, Bombay to Raichur, and branches) piecegoods are already chargeable at "C" schedule, the basis of which is 1 pie per maund per mile, which is higher than classes 4B R. R. and 4A O. R. now proposed for general adoption. Traffic passing over the G. I. P. Railway to which "C" schedule is now applicable will not, therefore, be affected

by the proposed increase in class rates. If other railways adopt the increased class rates for piecegoods the competitive power of mills situated on the G. I. P. Ry. may, therefore, be enhanced. Apart from this, however, the fact that the G. I. P. Ry. is now carrying a substantial volume of traffic at "C" schedule rate indicates that traffic will be well able to bear class 4B R. R. and 4A O. R.

(*b*) **Sugar:**—During recent years the circumstances attending the transport of sugar have greatly changed. Owing to the protective policy adopted by the Government of India there has been a large increase in the production of indigenous sugar. This has resulted in a contraction of the volume of sugar which used to go from Bombay long distances up-country, and moved in the direction of the flow of empty wagons from Bombay. To some extent this traffic has been replaced by indigenous sugar to Bombay, but most of this has to be carried at low rates and in the direction of the flow of loaded wagons. Thus the alteration in the services required of this Railway in the transport of sugar warrants slight increase in rates. Moreover, at present both jagree and sugar are classified II class and it is only reasonable that sugar should be charged slightly more than jagree.

(*c*) & (*d*) **Tobacco manufactured & unmanufactured:**—It cannot be denied that tobacco is an article of luxury, and in these circumstances the existing rates are undoubtedly low. It is significant that since 1929/30 traffic in these commodities has shewn a steady increase although the opposite result might have been expected during most of this period of economic depression. There is no reason to suppose that the small increase in rates proposed will have any adverse effect on the movement of this traffic.

(*e*) **Kerosine oil:**—The increase proposed is 9%, which is far less than the increases which have taken place in the selling prices of kerosine oil at various up-country places during the past three years, during which time

there was no change in railway freight. The existing II class rate is considered too low for this traffic, especially in view of the special conditions attached to its carriage which cause expenses to railways not incurred in connection with the movement of general goods. Owing to the inflammable nature of the commodity special precautions have to be taken to avoid fire. After use for kerosine traffic, wagons have to be specially cleaned to prevent damage to other goods. When traffic is conveyed in tank wagons the wagons have to be hauled back empty and earn no freight. The provision of tank wagons involves heavy capital expenditure on vehicles which cannot be used for general traffic. In these circumstances, the proposed class rates will, it is considered, still be extremely reasonable.

6. The G. I. P. Railway desires to adopt the enhanced class rates which have been sanctioned by the Railway Board for these commodities, but before notifying their adoption, I shall be glad to receive and give serious consideration to any observations your Chamber may offer, and request that these may be submitted by the 31st December 1936.

Letter No. 3309 *dated 22nd December* 1936 *from Chamber to the G. I. P. Railway.*

I am directed by the Committee of this Chamber to acknowledge receipt of your letter No. 14559-M/742 dated the 6th November 1936 and to submit their views on the proposals to increase freight rates on the abovementioned articles as under :

My Committee have carefully considered the proposal under reference to increase rates on the articles mentioned above as also the reasons advanced by you in support of such a proposal. In para five of your letter under reply, you observe that "it has been felt for some years that an increase in rates was justifiable and necessary".

My Committee are surprised to find that you consider the proposed increases both justifiable and necessary. You are, no doubt, aware that the commercial community have been asking for substantial reductions in railway freight rates particularly in the present depressed times. Instead of favourably considering these requests of the commercial community, the Railway Administrations have now come forward with a proposal to increase the rates on various articles.

My Committee do not consider it necessary at this stage to enter into a detailed criticism of the proposals under reference. They have, time and again set forth their views before the Railway authorities that the present state of trade, commerce and industry, under no circumstances, admits of any increase in railway freights and rates. They regret that the Railway authorities have not even now realised the grave situation arising out of the serious road competition due to their consistent refusal to reduce railway freights and rates. If the Railway authorities still persist in continuing their own policy of increasing railway freights and rates with a view to improving their financial condition, the remedy will be far worse than the disease, for it will only accentuate the road competition which had already become very formidable. Under the circumstances, my Committee are not prepared to support any proposal to increase freights on the articles under reference.

Letter No. 14559-*M*-788 *dated 23rd December* 1936 *from the G. I. P. Railway to Chamber.*

I am directed to acknowledge receipt of your letter No. 3309 dated 22nd December 1936, and to state that it will receive the careful consideration of this Administration.

APPENDIX 20

Railway Classification References from the Indian Railway Conference Association

(NOTE.—The correspondence is not printed. The same can be referred to in Chamber's files Nos. 93A and 93B of 1936).

APPENDIX 21

Railway charges for insurance of Consignments of Treasure

Letter No. 1153 *dated 23rd April* 1936 *from Chamber to the Railway Board.*

The attention of the Committee of this Chamber has been drawn to the high premium for insurance (2 annas per Rs. 100) charged by the various Railway Administrations in India for consignments of Treasure. This rate of railway insurance premium is double of that charged by Insurance Companies for such consignments (1 anna per Rs. 100). My Committee are of opinion that such a high rate charged by the Railways adversely affects bullion merchants, and particularly small bullion traders having connections in the mofussil. I am, therefore, directed by my Committee to request the Railway Board to be pleased to issue instructions to the various Railway Administrations to reduce the rate of premium charged by them and bring the same into line with that charged by Insurance Companies for such consignments of Treasure.

*Letter No. R.*181/23/22 *dated 27th August* 1936 *from the B. B. & C. I. Railway to Chamber.*

With reference to your letter No. 1153 dated 23rd April last to the Secretary, Railway Board, which was forwarded by the latter to the Indian Railway Conference

Association for consideration, I beg to state that the Association's Commercial Committee for Interchange considered the matter at their Meeting in July and resolved that the Bombay Group of Railways (B. B. & C. I. and G. I. P.) should discuss the matter with your Chamber with a view to obtaining detailed information with regard to your present disabilities.

I shall therefore be obliged if you will kindly let me know, in consultation with the Bombay Shroff Association, who have also made a representation in the matter, the time and date it will be convenient for representatives of your Chamber to meet the Chief Traffic Manager, G. I. P. Railway and myself in my Office or, if more convenient to you, in the office of the Chief Traffic Manager, G. I. P. Railway.

Letter No. 2247 dated 2nd September 1936 from Chamber to the B. B. & C. I. Railway.

I am directed to acknowledge receipt of your letter No. R.181/23/22, dated 27th August 1936, and to inform you that the following gentlemen will be glad to meet the Chief Traffic Manager, G. I. P. Rly., and yourself in your Office on MONDAY, the 7th instant, at 2-30 P.M. (S.T.), or on WEDNESDAY, the 9th instant, at 2-30 P.M. (S.T.). You will please let me know which date will suit you.

1. Mr. A. D. Shroff (Vice-President)
2. ,, R. P. Masani
3. ,, Gordhandas G. Morarji
4. ,, Chunilal B. Mehta
5. ,, Mohanlal A. Parikh, and
6. ,, J. K. Mehta (Secretary).

APPENDIX 22

Mileage Coupon Ticktets for Commercial Travellers—Re-introduction

Letter No. V.435 dated 6th April 1936 from the Publicity Officer, G. I. P. Railway to Chamber.

I have the pleasure to send you under separate packet 50 copies of a folder dealing with the issue by the G. I. P. and B. B. & C. I. Railways of Mileage Coupon Tickets available for use on these two Railways as also for journeys on the N. W. Rly., E. I. Rly., N. S. Rly., E. B. Rly., M. & S. M. Rly., and S. I. Railway.

These coupons are intended for issue to Mercantile Firms and Traders whose business necessitates frequent journeys or tours by Principals or authorised representatives.

They cannot be issued to professional men such as, doctors, lawyers, brokers, insurance agents, surveyors, accountants, bankers, architects, etc.

It would be of great assistance to all concerned if you would be good enough to distribute these folders to those members of your Chamber whom you think are eligible to avail of the scheme.

Should more copies be required we shall be happy to supply.

Letter No. 1151 dated 23rd April 1936 from Chamber to the Agent, G. I. P. Railway.

The Committee of this Chamber have received 50 copies of a folder dealing with the issue by the G. I. P. and the B. B. &. C. I. Railways of Mileage Coupon Tickets available for use on the two Railways as also for journeys on the N. W., E. I., N. S., E. B., M. & S. M. and S. I. Railways, from your Publicity Officer, with his letter No. V.435, of the 6th instant.

My Committee are glad that their suggestion for revival of the Mileage Coupon Tickets has at last been accepted; but they regret that it is proposed to exclude "brokers, insurance agents, surveyors, accountants, bankers, architects, etc." from the benefit of this concession. My Committee are strongly of opinion that all these should be ranked among commercial people and that there is no reason why concession should not be extended to them. Thus, for instance, brokers, insurance agents, surveyors, bankers, accountants, architects, etc. have all to travel for their business over long distances and the work they are all concerned with is commercial in nature. My Committee, therefore, beg to suggest that the concession which is now announced should be extended to all these people.

My Committee beg also to suggest that the concession should be extended to bona fide representatives of commercial firms travelling third class. There are several firms which are sending out representatives travelling third class to different parts of the country, and it is highly essential and desirable in the interests of trade and industries that the concession of coupon books should be provided for them. My Committee hope that this concession will be given as suggested.

Letter No. 12197-*H*-206 *dated* 28*th May* 1936 *from the Secretary, G. I. P. Railway to Chamber.*

I am directed to state that the Mileage Coupon Tickets at present issued is only a re-introduction of the system that was in force during the years 1926-31, but suitably amended to provide for certain safeguards so as to prevent, as far as possible, abuses to which the system was previously open. One of the means of achieving this was the restriction of the issue of books of coupons to firms engaged in trade and industry. This restriction also had in view the encouragement of business travel in the hope that this would lead not only to an increase in passenger revenue (either by an actual increase in travel or by inducing existing passengers to travel in a higher class of accommoda-

tion than hitherto), but would also result in an increase in goods traffic through an extension of canvassing activities by mercantile firms. This result would not be achieved by an extension of the privilege to the professional classes referred to by you. The restriction referred to also makes our mercantile coupons somewhat similar to the system of reduced fare trader's tickets in operation in England, which is applicable to firms who pay annual freight charges of a prescribed minimum.

2. With regard to your request that the system should be extended to the third class, I am to state that the system which was previously in force applied only to first and second class passengers. It is now reintroduced as a trial measure and until it has been tried for a sufficiently long period, it is premature to consider its extension to other classes of passengers.

Letter No. 3029 *dated 26th November* 1936 *from Chamber to Mr. R. P. Masani, representative of the Chamber on the B. B. & C. I. Advisory Committee.*

The attention of the Committee has been drawn by Mr. Keshavprasad C. Desai to the refusal of the B. B. & C. I. Railway to issue Commercial Coupon Tickets to Managers and Representatives of Insurance Companies. Mr. Desai had applied to the Traffic Superintendent, B. B. & C. I. Rly. on 28th October, as per copy enclosed. In reply he was informed that mercantile coupons are not issued to insurance companies, bankers, brokers, doctors. The Committee of the Chamber had addressed the B. B. & C. I. Railway authorities, along with other Railways, in the matter on 23rd April 1936, as per copy enclosed. Unfortunately, the B. B. & C. I. Rly. authorities have not so far replied to that communication also. In view of this, the Committee desire that the matter should be taken up with the authorities of the B. B. & C. I. Railway. I am, therefore, to request you to be good enough to do the needful, at your early convenience, and let me know the result of your efforts in this regard.

APPENDIX 23

Railway Concessions for Parties proceeding for Public Exhibitions

Letter No. 1051 *dated* 15*th April* 1936 *from Chamber to the Railway Board.*

At present there is in vogue over the principal Indian Railways a system of railway concessions in passenger fares to parties of school students, theatrical troupes, sporting associations, boy scouts, concert parties, etc. It has been represented to my Committee that similar concessions should be extended to associations, parties or demonstrators taking part in public exhibitions in India. Most of these exhibitions are held for furthering the industrial and commercial interests of the country and it is but meet that the Railway authorities should assist the organisation and conduct of such exhibitions by introducing a system of concessions in passenger fares. Even as it is the principle of such assistance by Railways in the organisation of Exhibitions and Fairs is recognised in the system of reduced freight rates and other facilities for the exhibits sent to such Exhibitions. What my Committee, therefore, are suggesting is only a logical extension of such assistance by Railways so as to include the parties and persons who travel specially for participating in such exhibitions and who are essentially, therefore, a component part of such exhibitions. My Committee understand that such concessions are a common feature of the facilities accorded in connection with Fairs and Exhibitions organised in foreign countries. On many occasions when the authorities of foreign exhibitions and commercial gatherings send out invitations to merchants and industrialists in India to join in such gatherings, they send detailed particulars of the railway and other facilities arranged in the respective countries. So what my Committee are suggesting is already in force in some of the foreign countries and is, to a certain extent, conceded in principle by the Indian Railways.

As this matter is one affecting all the Railways in general, my Committee would request the Railway Board to have the point raised in the Indian Railway Conference Association and to secure an amendment of the Coaching Tariff of the respective railways so as to include such passenger fares of parties proceeding to Fairs and Exhibitions within the pale of the existing provisions governing railway concessions.

Letter No. 3129–*T dated 29th April* 1936 *from the Railway Board to Chamber.*

With referencec to your letter No. 1051 dated 15th April 1936, I am directed to say that the question of granting concessions on any specific occasion or for any particular purpose is a matter entirely within the discretion of individual railway administrations. I am, therefore, to suggest that you refer the matter to the Agents of Railways concerned for consideration. I am to add that it is open to the Railway Administrations concerned to refer the matter to the Indian Railway Conference Association by whom the rules are framed.

Letter No. 1260 *dated 6th May* 1936 *from Chamber to Messrs. R. P. Masani and Gordhandas G. Morarjee representatives of the Chamber of the Local Advisory Committees.*

You will remember that the Committee addressed the Railway Board, as per their letter No. 1251, dated 15th April, a copy of which was already sent to you, in regard to granting of concessions and facilities by the Railways to Demonstrators, Associations and Parties taking part in Public Exhibitions and Fairs in India. The Committee have now received a reply from the Railway Board, as per copy enclosed. In view of this, the Committee feel that the matter should again be taken up with the Railway Administrations through their representatives on the respective Local Advisory Committees. They will therefore be glad if you will kindly do the needful in the matter at your early convenience.

Letter No. 1291 *dated 8th May* 1936 *from Chamber to the E. I., B. N., E. B., N. W., M. S. M., S. I., and N. S. Railways.*

I am directed by the Committee of the Chamber to address you in regard to the necessity of granting railway concessions for Demonstrators, Associations and Parties taking part in Public Exhibitions in India. Concessions in passenger fares and other facilities to parties of school students, theatrical troupes, sporting associations, boy scouts, concert parties, etc. are at present in vogue on the principal Indian Railways, and my Committee feel that similar concessions should be extended to the abovementioned parties also. In this connection my Committee had addressed the Railway Board, to which the latter in reply observed that the question of granting concessions on any specific occasion or for any particular purpose was a matter entirely within the discretion of individual Railway Administrations. A copy of the correspondence exchanged between my Committee and the Railway Board is enclosed herewith for ready reference.

In view of this, my Committee request you to be good enough to consider their above suggestion favourably and to refer it to the Indian Railway Conference Association for formulation of suitable rules in that regard.

*Letter No. T*812/1 *dated 29th May* 1936 *from the General Secretary, Indian Railway Conference Association to Chamber.*

With reference to your letter No. 1291, dated 8th May 1936, to the address of the Agents, East Indian and Madras & Southern Mahratta Railways, forwarded to this office for disposal, I am directed to state that the matter contained therein will be placed before the Commercial Committee at their next meeting to be held at Bangalore in July 1936.

The recommendation of the Commercial Committee will be communicated to you in due course.

APPENDIX 24

Railway Demurrage Charges during Riot Period

Letter No. 2675 dated 21st October 1936 from Chamber to the General Traffic Manager, B. B. & C. I. Railway.

It has been brought to the notice of the Committee of this Chamber by a member that his consignment of Vegetable Oil arrived at Carnac Bridge on the 19th instant, but that owing to the riots in the City it was impossible for him to get a motor lorry to take delivery of the same within 24 hours of the arrival of the goods as required by the Railway authorities. I am directed by my Committee to request you to be good enough to consider these days as "dies non" in view of the fact that the riot situation in the City precludes the consignee from taking delivery.

My Committee beg to draw your attention to the fact that the Bombay Port Trust have already issued a notification to consider all days commencing from Friday, the 16th instant, until such date as deliveries recommence, as "dies non".

Letter No. 2713 dated 23rd October from Chamber to the G. I. P. Railway, Chief Traffic Manager.

It has been brought to the notice of the Committee of this Chamber by merchants that owing to the riots in the City, they have found it impossible to take delivery of goods arrived at Wadi Bunder within the scheduled time as required by the Railway Rules. I am directed by the Committee to request you to be good enough to consider these days as "dies non" in view of the fact that the riot situation in the City precludes the consignees from taking delivery.

My Committee beg to draw your attention to the fact that the Bombay Port Trust have already issued a

notification to consider all days commencing from Friday, the 16th instant, until such date as deliveries recommence, as "dies non".

Letter No. Ga3123 dated 23rd October 1936 *from General Traffic Manager, B. B. & C. I. Rly., to Chamber.*

With reference to your letter quoted above I beg to inform you that your request to treat the days during which the riot lasted as "dies non" cannot I regret be complied with.

Each case will, however, be dealt with on its merit and remission of wharfage if necessary will be allowed.

The Goods Agent, Carnac Bridge, will personally consider every application in connection with consignments handled at that depot.

Letter No. CG.2/378P.II dated 27th October 1936 *from the Chief Traffic Manager, G. I. P. Rly., to Chamber.*

I beg to acknowledge receipt of your letter No. 2713 of 23/10/36. It is realised that the riots in the City have upset the markets to some extent and the Goods Superintendent, Wadi Bunder will deal with cases where the merchants have not been able to take delivery of consignments within the free time allowed on the merits of each case. I need not specially mention that the railway will treat these cases with leniency.

APPENDIX 25

Bombay Taxi Drivers' Union and 4-annas taxis

Letter dated 29th February 1936 *from the Taxi Drivers' Union to Chamber.*

I beg to send you herewith copy of a resolution passed by an Extraordinary General Meeting of the Bombay

Taxi Drivers' Union, held on Friday, the 28th February, 1936, at the Peoples Jinnah Hall, Bombay.

I beg you will kindly ask the Corporation to support the measure by putting it on your agenda at an early date.

The feeling of the Taxi Drivers (Owners) is very keen in the matter, and, therefore, I trust you appreciate the desirability of the Corporation discussing the Resolution at an early date.

The Managing Committee of the Union will be only too glad to provide details to the Corporation if desired.

RESOLUTION

BOMBAY, 28TH FEBRUARY, 1936

An Extraordinary General Meeting of the Bombay Taxi Drivers' Union was held on Friday, the 28th February, 1936, at the Peoples Jinnah Hall, when the following resolution was passed:—

"Whereas the modern means of cheap conveyance have greatly developed, and made competition insurmountable for the existing Taxis to run with profit at the rate of Six Annas, notified by the Commissioner of Police in his Notification No. 1534/MV, dated the 20th February, 1936, communicated to the Union, and,

"Whereas Taxes imposed upon the Motor Vehicles have considerably increased so as to diminish the profits of the Taxi Drivers, and,

"Whereas the new regulations to be imposed by the Police Commissioner as regards meter, will still further diminish the chances of earning a reasonable profit, and,

"Whereas his imposition of Six Anna tariff is a further condition that will work adversely upon the economic condition of the Taxi Drivers in Bombay,

"This meeting deems it necessary that Police Commissioner should be informed that unless all the adverse forces of opposition leading to continued loss to the Taxi Owners, stated above are removed the Taxis in Bombay can never run with any profit to the owner with the proposed Six Anna rate.

"This meeting, therefore, calls upon all the Taxi Drivers in Bombay to mobilise their universal opposition against the above Notification, and, earnestly requests leading public bodies to enforce upon the Commissioner the Four Anna tariff proposed by the Union".

Letter No. 1149 *dated 23rd April* 1936 *from Chamber to the General Secretary, Taxi Drivers' Union.*

I am directed to acknowledge the receipt of your letter of the 17th instant, as also a copy of a note giving statistics of income and expenditure for an average taxi plying in Bombay. The Committee of this Chamber considered the question at their meeting held on the 21st instant. While they sympathise with the demands of the taxi drivers, they feel that a way out of the impasse must be found. To secure this my Committee suggest that the taxi drivers should take advantage of the offer made by the Police Commissioner, viz., that they would be allowed to ply the taxis at 4 annas per mile even though the meter rate was 6 annas. The taxi drivers can well put up a flag just above the meter, informing the public that they will be charging only 4 annas per mile, even though the meter reading may be 6 annas. This will, in the opinion of my Committee, secure the objective of the Taxi Drivers' Union to have the taxis plying at 4 annas per mile and at the same time the official meter will be there registering 6 annas for those who do not want to charge 4 annas.

My Committee hope that this *via media* may well be adopted by the Taxi Drivers' Union, and that the present unhappy deadlock, which inflicts so much hardship and

suffering on the taxi drivers and causes inconvenience to the general public will be ended.

With regard to your appeal to subscribe to the public fund, my Committee regret that under their rules they cannot, as a body, subscribe to it.

APPENDIX 26

Delay in India-Africa Air Mail Service

Letter No. 1421 *dated 27th May* 1936 *from Chamber to the Director General of Posts and Telegraphs.*

The attention of the Committee of this Chamber has recently been drawn to the delay in the India-Africa Air Mail Service on account of the alterations in timings of departure and arrival of Air Mails at the important air mail stations on the Imperial Airways Routes. My Committee have received complaints in this regard from merchants having business connections with East Africa.

My Committee further understand that some business houses have already brought this matter to the notice of the Postmaster General, Bombay, who has forwarded the correspondence to you for such action as may be deemed necessary.

I am now directed by my Committee to request you to kindly look into this matter and do your best to remove the inconvenience caused by the alterations in timings of India-Africa Air Mail Service whenever a suitable opportunity presents itself.

Letter No. EM-116 (AIR) dated 17th June 1936 from the Assistant Deputy Director General of Posts and Telegraphs to Chamber.

With reference to your letter No. 1421, dated 27th May 1936, I am directed to say that a reference was to the British Post Office, London, on the subject and a reply was received that the revised time-tables have been adopted by Imperial Airways only after an exhaustive examination of all possible alternatives and that it would not be practicable at present to re-establish an immediate connection at Alexandria of mails between India and Africa. In the circumstances, it is regretted that it is not possible to avoid the detention caused at Alexandria to the air mails despatched from India to Africa.

APPENDIX 27

International Telegraph Conference—1938

Letter No. T-371/35 dated 18th March 1936 from the Deputy Director General of Posts and Telegraphs to Chamber.

I am directed to inform you that the next International Telegraph Conference will be held at Cairo in February 1938. I am to enquire whether your Committee would wish any matters regarding the regulations applicable to foreign telegrams to be considered by Government. I am to request that your reply may kindly be sent so as to reach the Director General of Posts and Telegraphs by the 1st May 1936.

Letter No. 1225 dated 1st May 1936 from Chamber to the Director General of Posts and Telegraphs.

Subject: **International Telegraph Conference, 1938**

I am directed to acknowledge receipt of your letter No. T-371/35 dated the 18th March 1936, and to submit the views of the Committee of this Chamber for the above Conference, as under.

When in 1932 a reference was made to the Committee regarding the introduction of five letter code telegrams, they (the Committee) had observed that they would be prepared to accept this introduction provided the charges were reduced to half the rates of the then existing ten letter code telegrams. Subsequently, the five letter code telegrams were introduced at slightly reduced rate, but not at half the rates as suggested by my Committee at that time.

My Committee now request Government to be pleased to reconsider this question at the forthcoming Conference and press for a *pro rata* reduction for the five letter code word telegrams.

The attention of my Committee has also been drawn to the existing heavy rates for cables to the U.S.A. and Japan and they will be glad if Government will be pleased to look into this complaint and see that some relief is obtained for India by way of reduction in these cable charges.

APPENDIX 28

Discontinuance of the All-India Weather Summary Telegrams

Letter No. 1898 *dated 24th July* 1936 *from Chamber to the Director-General of Observatories, Poona.*

The attention of the Committee of this Chamber has been drawn to a circular issued by your Department, dated 25th June 1936, announcing certain changes to be made in the issue of the present All-India Weather Summary Telegrams from Poona. It is proposed to discontinue the All-India Weather Summary telegrams, except to bona fide Press subscribers for publication in newspapers, and to issue instead four regional weather summary telegrams from Poona, Karachi and Calcutta.

The All-India Weather Summary telegrams were found extremely useful and important by the commercial community and their discontinuance will mean a good deal of inconvenience to them. Upto now the subscription of the All-India Weather Summary telegrams was Rs. 10 per month; but the new arrangement will mean Rs. 48 per month for getting all the four regional summary telegrams. My Committee cannot understand why the charges should have been enhanced to such an extent for practically the same service, and why the present service, which was found useful by the business community, should have been discontinued and been substituted by four regional summary telegrams costing so much more. My Committee have found that important trade associations like the Grain Merchants' Association and the Seeds Traders' Association, Bombay, have sent a protest to you already against the changes notified and my Committee beg to support their protest and to hope that the new changes will not be brought into effect and the old All-India Weather Summary telegrams will be continued as before.

In this connection, my Committee are of opinion that the method followed by all Government Departments with regard to such changes might well have been followed by the India Meteorological Department. Whenever any changes have to be made in the existing practice and those changes are likely to affect the business community, all the Government Departments, whether Central or Provincial, consult Chambers of Commerce and commercial associations. The change recently announced by the Meteorological Department is of an important character and Chambers of Commerce and commercial associations should have been consulted with regard to the same. Unfortunately, it has not been done, and my Committee are afraid that the new changes will prove seriously disturbing to the business community.

Letter No. G-16190 dated 4th August 1936 from the Director-General to Chamber.

The All-India Weather Summary Telegrams have hitherto been supplied to any subscriber who desired to have them

on payment of a monthly subscription of Rs. 10. These messages have been transmitted by the Telegraph Department as express telegrams, although the subscription rate of Rs. 10 was fixed many years ago in accordance with the old rates prescribed for ordinary press telegrams, and at a time when the number of subscribers and length of messages were less than now. According to present-day calculations, the rates for these messages should be considerably higher than Rs. 10 even according to press rates. In any case all press telegrams result in a loss to the Telegraph Department; and the increased popularity of the Weather Summary Telegrams has unfortunately increased the telegraphic loss.

As you are aware, the concession of press rates is applicable only to newspapers and *bona fide* press agents as explained in the Post and Telegraph Guide. These rates cannot, according to rules, apply to messages transmitted to members of the public. With a view to avoid the loss to the Posts and Telegraphs Department, the Government of India has been considering for some time the revision of the rates of subscription to the All-India Weather Summary Telegram as well as the form in which it is to be transmitted to private subscribers and their decision in the matter was embodied in the circular already sent to you. The main considerations in favour of the change were the following:—

(1) The prompt publication of the All-India Weather Summary Telegrams in almost all the important newspapers in India. In important cities, the telegram is published in the evening newspapers two or three hours after its receipt in the newspaper office. This is expected to meet the need of many readers of these telegrams.

(2) Reduction of the loss to the Posts and Telegraphs Department.

(3) Reduction of the transmission cost by dividing the present all-India report into four brief regional reports

and thus avoiding transmission of the present lengthy message all over India to all subscribers.

(4) The expressed desire of some subscribers to receive brief reports in respect of their own areas instead of the lengthy reports comprising the whole of India. A subscriber in the Punjab is not generally interested in the rainfall in the south of the Peninsula.

(5) Desire to fix the rate of subscription of the Regional Summary Telegram at as low a figure as possible.

The average cost of transmission of All-India Weather Summary Telegram to a subscriber at the usual express rate is Rs. 460 per month during the months May to October, and Rs. 200 per month during the months November to April. In order to avoid the loss to the Posts and Telegraphs Department, a private subscriber has now to pay for these telegrams at these rates. Even the transmission of each regional summary telegram to a subscriber as an express message would cost on the average Rs. 120 per month during May to October, and Rs. 80 per month during November to April. As a special concession to the public, however, the Government of India have decided to continue the press rates in respect of these regional summary telegrams. You will agree that this is a very considerable concession.

It will be seen from above that the All-India Weather Summary Telegram can be obtained by a non-press subscriber, provided he is willing to pay the actual cost of transmission at Rs. 460 per month, during May to October, and Rs. 200 per month during November to April at express rates. These rates are unavoidably high and it will be cheaper for anyone who wants information for the whole of India to take advantage of press-rate concessions for the regional telegrams and to subscribe to all the four regional summary telegrams at Rs. 48 per month.

Letter No. 2263 dated 3rd September 1936 from Chamber to the Director-General.

I am directed to acknowledge receipt of your letter No. G-16190, dated 4th August 1936.

My Committee appreciate your courtesy in giving all the details with the regard to this matter. While it may not be possible on account of economic reasons to send the All-India Weather Summary Telegrams to non-press subscribers at the press rate of Rs. 20 per month, my Committee beg to suggest that such All-India Summary Telegrams may well be sent at the usual press rate to recognised commercial associations. My Committee hope that this suggestion of theirs will be favourably considered and accepted.

Circular dated 18th January 1937 issued by the Director-General.

In partial modification of this office circular dated the 25th June 1936, it is hereby notified that Government of India have since authorised this department to supply the all-India Weather Summary Telegrams to those non-press subscribers who may desire to gather a comprehensive idea of the weather situation over the whole of India and agree to pay the subscription for the all-India Weather Summary Telegram at the rate of Rs. 48 p.m., the amount which they would have had to pay if all the regional summaries were subscribed for. The subscription is paybale in advance.

All requests for the supply of all-India Weather Summary Telegrams and remittances should be addressed to the Director-General of Observatories, Meteorological Office, Ganeshkhind Road, Poona 5.

APPENDIX 29

Transmission of Gold and Silver through Post

(NOTE.—See Annual Report of the Chamber for 1935, page 241).

II.—FINANCE, TARIFF AND TAXATION

APPENDIX 30

Budget of the Government of India, 1936-37

Letter dated 29th February 1936 *from Chamber to Government of India, Finance department.*

I am directed by the Committee of this Chamber to send hereby their views on the Financial Statement of the Government of India for the year 1936-37, submitted by the Honourable the Finance Member before the Legislative Assembly, on Friday, the 28th February 1936.

2. After careful study of the speech of the Finance Member on the Budget proposals for 1936-37, they cannot subscribe to his view that the recovery in India's economic position has set in strongly. The level of agricultural prices in the country still continues low and vividly reflects the economic depression.

3. My Committee are definitely of opinion that if the Finance Member had not under-estimated revenue for 1935-36, particularly in regard to import duty on sugar, the relief in direct taxation, which has been made possible this year, could very easily have been given at least 12 months before. They also fear that in the estimate of revenue given by the Finance Member for 1936-37, conservatism has been carried too far and that it is possible to estimate a larger revenue than anticipated by him.

4. The commercial community, whilst welcoming the reduction in surcharges on income and super taxes and the raising the lower limit for income-tax from Rs. 1000 to Rs. 2000, cannot help feeling that, with a little more effort on the part of the Finance Member, it would be entirely within

his grasp to abolish the whole surcharges on income and super taxes. My Committee have no doubt that the raising of the lower limit will bring the much-needed relief to the smaller man in the country.

The reduction of the postal rate on letters weighing one tola is welcome, though a very small and tardy concession. They would very much like Government to reduce the charges on the Postcard, which is the principal, if not the only, postal facility available to the small man in the country. The present level of postal rates on book and packet post has been found to be unduly heavy and impeding the spread of knowledge and education in the country and my Committee would therefore press upon Government to reduce the rates to the former level of half an anna for every five tolas.

5. The commercial community are also seriously disappointed that Government have not yet seen their way to meet their demand that business losses should be allowed to be carried forward, as has been the practice in the United Kingdom and other countries in the West. In this connection, my Committee would like to remind Government of the assurance given by Sir George Schuster that as soon as the finances of the Government of India permitted this relief could be extended to the commercial community.

6. My Committee reiterate their view that any surplus in the Budget should be availed of by Government to give relief to the general consumer of salt in the country, which would be beneficial specially to the agriculturists.

7. My Committee appreciate the reasons advanced by the Finance Member for setting aside Rs. 197 lakhs as Revenue Reserve Fund to meet contingencies that may arise during the first year of Provincial Autonomy.

8. My Committee cannot share the optimism of the Finance Member in regard to the continued favourable balance of trade of the country. Since October 1931, when

gold began to be exported from India, the trade balance in favour of the country has been largely, if not entirely, determined by the continued exports of gold. The commercial community have always looked upon these exports with serious apprehension and are of the considered opinion that the maintenance of the imports of the country has only been made possible by the frittering away of the capital asset of the country, viz., Gold, and therefore cannot be a source of rejoicing to the country. My Committee would like Government to enunciate their policy regarding this question. They would also urge further search for a permanent reduction of interest charges by conversion of loans *in India* whenever possible.

9. In this connection, the reply given by the Commerce Member that the remittance position did not justify Government in undertaking the obligation of buying the B. N. and the M. S. M. Railways, is most unconvincing in view of the sterling balance accumulated by the Reserve Bank and the continued large offerings of Sterling week by week by exchange Banks in India. The taking over of these Railways, for instance, which would incidentally lead to the reduction of the foreign liabilities of this country, must therefore be undertaken at an early date.

10. My Committee must reiterate their emphatic protest against the continued disbursement of such a large amount of Rs. 45 crores on military expenditure in India, and must express their alarm at the warning given by the Finance Member that in the years to come this expenditure is likely to show substantial increase. The commercial community in India has never been reconciled to anything like the figure of military expenditure incurred since the last War. They urge that every endeavour ought to be made to secure a reduction.

11. My Committee cannot accept the Finance Member's plea in debiting all expenditure on reconstruction of Quetta to the Central Revenues. Such expenditure is essentially

of a capital character, and they would therefore urge upon the Finance Member to revise his decision and to obtain the necessary funds by borrowing, especially at the present low rates.

12. For the past two years the Government of India have been finding more money for development of broadcasting in the country, and my Committee feel that in order to make these services more helpful to the commercial and trading community, commercial opinion ought to be consulted to increase the utility of these services.

APPENDIX 31

Railway Budget, 1936-37

Statement issued by the Committee on 25th February 1937.

The Committee of the Indian Merchants' Chamber have issued the following statement regarding the Railway Budget of the Government of India for the year 1936-37:

"The Committee of the Indian Merchants' Chamber have considered the Railway Budget for 1936-37 and the speeches introducing the same in the Legislative Assembly and the Council of State by the Hon'ble Sir M. Zafrulla Khan and the Hon'ble Sir Guthrie Russell, respectively. It is greatly depressing that the Railways, which form the biggest asset of the Government, i.e., the Indian taxpayers, have continuously been showing huge deficits for the last six years, and the Committee would point out that these deficits are alarming from the point of view of the taxpayers. Unfortunately, the popular demands and suggestions for meeting such a position have not received sufficient consideration at the hands of Government. This state of affairs should be considered as a serious signal by the

Government of what is in store. While it is true that there are several factors, over which the Railways have no control, which have led to the decreased earnings of Railways, there are also factors for which the Railways have been responsible, to some extent, for the present situation. The world-wide depression, specially leading to lower prices of agricultural commodities, has principally led to decrease in railway traffic. The competition from motor and sea traffic has also been felt in its effects on the railway traffic. At the same time Railways, on the whole, have generally not shown any imagination in formulating a policy which will bring in more traffic either of passengers or of goods. They are over-ridden by hide-bound conventions and traditions and by methods of expenditure, which may be suitable to foreign countries but are not suitable for a poor country like India. To take concrete instances: the putting up of the Bombay Central Station and the transformation of serveral stations on different lines, are itmes of expenditure, the utility or importance of which may well be doubted; while the recurring burden of the interest charges from such ill-conceived capital expenditure has always to be reckoned with as a grim certainty.

The Railways, in common with other departments of Government, had effected cuts of 10 per cent in the salaries of their staff in the year 1931. Unfortunately, before the disappearance of the present depression and the restoration of more or less normal conditions, the Railways have followed suit of other Government Departments and restored the cuts, which mean an annual expenditure of Rs. 90 lakhs, which cannot be called a mean item in the total deficit of Rs. 3.40 lakhs.

In this connection, the Committee of the Chamber cannot help saying that while the Railways are suffering from heavy deficits for the last six years, and there is no prospect of getting any surplus in near future, it is preposterous that the Lee Commission recommendations, which were carried out in face of the opposition of the Indian

people in general and the Indian commercial community in particular should still be continued for the benefit of a particular class of officers of the Railways. The total amount spent, under the Lee Commission concessions, annually by the different Railways must be running into lakhs, and surely it is now high time that the Government of India should reconsider their whole policy with regard to the Lee concessions and take a step which is now long overdue to withdraw these concessions and thus restore that balance in their Railway Budget which has long since been wanting.

While the Committee deprecate the restoration of cuts, they also urge the necessity of the appointment of a Committee, with a majority of non-officials, which will go thoroughly into the Railway finances and point out the possible directions in which curtailment of expenditure can be effected. There are several directions in which there may be leakages in such gigantic undertakings and it would be for the suggested Committee to point out where and when such leakages occur.

Most of the important recommendations of the Acworth and the Inchcape Committees have not been given effect to, despite the fact that they were well-considered and were meant to put the Railway finances on a stable basis. It is very essential that a further examination should be undertaken by a responsible non-official Committee in order that the landslide being experienced at present with regard to Railway finances may be stopped.

The Committee of the Chamber have been surprised at the proposal to increase the present rates and freights. The Hon'ble Sir Guthrie Russell observed in his speech that Railways were at present considering certain alterations in rates which were expected to bring in about Rs. 1 crore of additional revenue. While several foreign countries have effected reductions in rates and freights, the Indian Railways, instead of effecting reductions, are

seriously proposing to increase them! Such an increase in rates and freights instead of getting in any additional revenue, will, it is feared, reduce the income, as surely, as in the case of taxation, the present rates and fares for Railways have reached a limit beyond which it is not the capacity of the Indian people to go. The proposal is fraught with grave consequences and is bound to react on trade and industries in an adverse manner.

The Committee have noted that the so-called strategic Railways are always responsible for a big loss of about Rs. 2 crores, and it is but meet and fair that this deficit should be shown against the Military Budget and not against the Railway Budget. The Hon'ble Member for Commerce considered that this would be merely a paper entry, and yet for the sake of clearness of accounts and showing the exact financial liabilities and adjustments, it is very essential that the strategic railways should be shown in the Military Budget and not in the Railway Budget.

Recently there was a discussion on a resolution in the Assembly suggesting the termination of the contracts with the B. N. and the M. S. M. Railways. The Hon'ble the Commerce Member welcomed the motion, but did not express Government's opinion either way, and merely emphasised the relevant considerations involved. Government have accepted the policy of State-management of Railways. It is not clear, therefore, why the Hon'ble the Commerce Member now said that Government were already collecting necessary materials to take a decision in the matter. The Committee of the Chamber expected that a reference to this would be made either in the speech of the Hon'ble the Commerce Member or of the Hon'ble Sir Guthrie Russell; but no such reference is made, and the Committee are feeling anxious that the principle of State-management of Railways may be thrown over-board under the influence of vested interests, which have always been opposing the principle.

The Committee take this opportunity of congratulating the Hon'ble the Commerce Member on his endorsing the ideal of economic self-sufficiency. He said:--

> ".....As for the self-sufficiency of India herself, as her industries develop, presumably the country will become wealthier, and though we have lost the larger portion of our long lead traffic, if there is more money to spend it is bound to have its effect on railway earnings."

This is a very good reply to those critics of the Railway Budget, who would change the tariff policy of India on the plea that what little protection the industries in this country have been enjoying came into conflict with the railway earnings. India has adopted a policy of discriminating protection for several years and this has given some help to the industries. At the same time, the Indian commercial and industrial community is in favour of going forward, not going backward, and wants that that policy of discriminating protection should be substituted by a policy of *full and complete* protection for Indian industries. There cannot be any satisfactory increase in railway earnings, when Indian trade and industries and agriculture are left in a condition of penury and half-starvation. With the development of Industries and agriculture, through protection, Railways will get enhanced revenue through the enhanced prosperity of the people. It is arguing in a vicious circle to say that the Tariff policy of Government must now be changed to suit the convenience of foreign importers, as this would not result in any real and tangible benefit to the railway revenues, while at the same time it would keep India in the same submerged economic condition as she is now. The fact that the Customs revenue of India is increasing does not go to support the contention of these critics who would pit the tariffs against the Railway revenues. To take a concrete instance: Protection given to sugar industry has led to sugar factories springing up in various parts of the country which, while it has led to curtailment

of sugar imports, has stimulated considerable internal short-lead traffic, and what has been lost perhaps from ports to the consuming markets traffic has been made up by such short-distance traffic."

APPENDIX 32

Devaluation of the Rupee

Letter No. 2899 dated 12th November 1936 from Chamber to the Government of India, Finance department.

The Committee of this Chamber have been following with anxious interest the development of world events like the devaluation of Franc and the currencies of Holland, Switzerland and Italy. It is now a truism to say that India is not a country apart, and that repercussions of all such world events in the economic field are bound to affect the internal financial and economic conditions in this land.

2. They have observed that the adjournment motion moved in the Assembly to consider the present position of the Rupee and the refusal of Government to devalue it or even to consider having an enquiry into this problem, was lost by the casting vote of the President. There is a large amount of commercial public opinion in this country which is seriously apprehensive with regard to the attitude adopted by the Government of India and which holds that this position of Government is untenable, obstructive and perverse to the best interests of the country. The unfortunate experience of the Committee of this Chamber has always been that Government have been consistently unresponsive to the demands and requirements of the Indian commercial community with regard to the Currency and Exchange situations. Without going into the remote past, my Committee may instance the history of this controversy from 1920 onwards upto recently when Govern-

ment from time to time practically foisted upon India a financial policy which was entirely antagonistic to its interests and which has inflicted upon it incalculable loss and damage. The sale of Reserve Councils in 1920 inflicted a loss to the tune of Rs. 40 crores and the unsettlement caused by fixing the Rupee at 2sh. remained a source of incalculable harm for a number of years. Even after all this experience Government unfortunately again took a retrograde and reactionary step in 1926 by fixing the ratio at 1s. 6d. In bolstering up this ever-tottering ratio, Government found themselves practically at the end of their resources in September 1931 when Britain's abandonment of the Gold standard brought providential escape from an entirely untenable situation. Some of the best supporters of this ratio realised the disastrous effects of Government's persistent attempts to support to 1/6 on the economic state of this country and are today among those who would like India to devalue the Rupee. Even the Federation of Master Cotton Spinners' Association, Manchester, have been recently agitating for devaluation of the Rupee so that the Indian agriculturist may have his purchasing power improved. The whole of the Indian commercial community was unanimous in warning Government against the policy laid down in 1926 and its fears and apprehensions have been justified by all that has happened during the years which followed the linking of the Rupee at 1s. 6d.

3. The export of Gold which began in 1931 was also strongly protested against by the commercial community and yet every time Government have tried to defend this ruinous export by the argument that gold was merely a commodity like other commodities. India has lost practically Rs. 300 crores worth of gold.

4. Great Britain went off the gold standard in September 1931 and India had to follow suit. The Rupee was then linked to sterling at the dictation of Whitehall.

The Rupee was thus in effect devalued to the extent of 40%. Government have made a great point of this that the Rupee has in effect been already devalued and that there is no further necessity of devaluing it. It is, however, forgotten that this incidental devaluation effected by the Rupee being linked to sterling was not adequate nor did it meet with the needs of the situation inasmuch as the over-valuation of the Rupee in relation to sterling prior to 21st September 1931 has been allowed to continue uncorrected. The fact of this continual over-valuation is amply borne out by the common experience that the maintenance of the Rupee exchange at 18d. since September 1931 has been made possible only by the unchecked exports of gold. My Committee take it that there is practical unanimity that but for gold exports, the diminished export activity and the low level of prices would have made devaluation of the Rupee inevitable. That the plight of the agriculturist today is as bad as it was in 1931 can hardly be disputed and the representation recently submitted by the Punjab landholders is a tell-tale picture of the economic sufferings in the country due to the low level of prices. The Hon'ble the Finance Member in speaking on the recent adjournment motion in the Assembly expressed his fear that if the Rupee were devalued it would give rise to competitive currency depreciation. As a matter of fact, the devaluation of the Franc has been taken advantage of by various countries to adjust their currencies to their economic conditions, and my Committee are definitely of opinion that this is the opportune time for India to revise the value of the Rupee in terms of her own requirements. The Hon'ble Member also referred to the purchasing power Parity Theory and observed that the proper level of the Rupee about a year ago was something like 1s. 8d. My Committee cannot accept this statement without being given an opportunity to examine the basis on which this inference is drawn. As the Hon'ble the Finance Member may be aware, there is no single Index Number of Prices in India which can reflect the price level for all important commo-

dities as well as for all important trading centres in the country. The application, therefore, of the purchasing power parity theory apart from its validity to measure the correct valuation of the Rupee in relation to sterling and other currencies is both unreal and inconclusive.

5. Government cannot be unaware that the country in general and the commercial community in particular have never accepted the valuation of the Rupee at 18d. as the last word on the subject. In September 1931, when Britain went off the gold standard and the Rupee was linked to sterling, public opinion in this country was clearly expressed in the well-known resolution moved by the then Mr. R. K. Shanmukham Chetty and adopted by the Legislative Assembly. Again, when the Reserve Bank Bill was under discussion in the Assembly the relevant clauses prescribing the value of the Rupee in terms of sterling were very stoutly opposed, and it was only as a matter of compromise that the Assembly agreed to allow the valuation of the Rupee at 18d. sterling to be embodied in those clauses. The compromise arranged is reflected in the preamble of the Reserve Bank Act, which reads as under:—

> "And whereas in the present disorganisation of the monetary systems of the world it is not possible to determine what will be suitable as a permanent basis for the Indian monetary system; but whereas it is expedient to make temporary provision on the basis of the existing monetary system, and to leave the question of the monetary standard best suited to India to be considered when the international monetary position has become sufficiently clear and stable to make it possible to frame permanent measures."

This compromise was expressly agreed to in view of the then disorganised state of the monetary system of the world. But it was clearly visualised then that when the international monetary position had become sufficiently clear and stable, the question of the monetary standard

best suited to India would be considered. My Committee submit that the decision of French Government to devalue the Franc, the agreement reached between the French, American and British Treasuries not to indulge in further depreciation of currencies, the decision of Holland, Switzerland and Italy to toe the same line and the further arrangement reached between Paris, London and New York for exchange of their currencies into gold at rates fixed from day to day, presumably in joint consultation, are developments leading rapaidly towards international stabilisation. The view taken by my Committee finds confirmation from the very important speech delivered by Mr. Neville Chamberlain, the British Chancellor of Exchequer, at the recent Annual Bankers' Dinner. The situation, therefore, which was visualised in the preamble to the Reserve Bank Act has now been reached, and it is but right and natural that the commercial community of India should expect Government to implement the assurances given at the time of the enactment of the Reserve Bank Act. In this connection my Committee cannot accept the *ex cathedra* observation of the Finance Member during the debate on the recent adjournment motion in the Assembly, that the Government of India had reviewed their currency policy, nor can my Committee allow the Hon'ble the Finance Member's dogmatic assertion to pass muster, that in the opinion of the Government the present value of the Rupee will remain fixed and immovable.

6. My Committee, therefore, urge that in view of the considerations set out above, Government should undertake an immediate review of the valuation of the Rupee in consultation with expert opinion, and they have no doubt that a close and impartial scrutiny will lead to only one conclusion that it is no longer possible to defer the devaluation of the Rupee to suit the urgent economic needs of the country.

APPENDIX 33

Taxation of money rates by Bombay Banks for loans and advances

Correspondence with the Exchange Banks

Letter No. 378 *dated 22nd February* 1936 *from the Chamber to the Chairman, Exchange Banks' Association, Bombay.*

The attention of my Committee has been drawn to an arrangement reached by your Association and other Banks who are not its members to fix certain minimum rates for loans and advances against Gilt-edged securities, shares, commodities, etc. After a full and careful consideration of the various aspects of the question my Committee have come to the conclusion that this arrangement is bound to prove prejudicial to the interests of trade, industry, commerce and agriculture of this country. It will not be controverted that there is a considerable amount of idle money which is difficult to employ at present and that in tune with this state of monetary conditions the Reserve Bank of India reduced its rate on the 28th November last from 3½% to 3%. The reduction in the Bank rate was obviously made to allow this country to derive advantage of cheap money, and my Committee regretfully submit that Banks in Bombay should have reached an arrangement which is calculated to defeat this object of the Reserve Bank.

I am also directed by the Committee to point out that the combination of Banks in Bombay with a view to increase the burden of interest charges on the trade and industry of this country is highly objectionable in principle and is likely to hinder the maintenance of friendly feeling and relations between Banks and the general public in Bombay.

My Committee, therefore, would request your Association and other Banks who have agreed to work in conjunction with you to reconsider the recent arrangement with a view to terminate the same, thereby enabling the trade, industry

and agriculture of this country to derive the much-needed stimulus for long-expected recovery through the continuance of cheap money.

Letter dated 28th February 1936 from the Exchange Banks' Association to Chamber.

I have circulated your letter of 22nd instant among the Members of our Association and have been instructed to inform you that the minimum rates fixed by us and the indigenous Banks concerned are so low as to leave a minimum of profit for the Banks and can in no way prove injurious to the trade of Bombay in general. The only interests that are really affected are those of the speculator who speculates chiefly in Government Paper, and in the interests of all concerned we consider it advisable to discourage speculation. These speculators have been in the habit of playing one Bank off against another in an endeavour to obtain advances at rates which through insensate competition have become unprofitable to the lenders. Most Banks are borrowing money at 2 to 2½% for 12 months and it is only reasonable that advances should not be made at less than these rates.

Letter dated 13th March 1936 from the Exchange Banks' Association to Chamber.

With reference to your letter of 22nd ultimo and my reply of 28th idem, it has been brought to my notice that Members of your Chamber have accused our Association of endeavouring to force "Minimum Rates of Interest" on the Indigenous Banks of Bombay.

This view is entirely erroneous as the first move in this direction was taken by the Central Bank of India, Ltd. and the Bank of India, Ltd., and the first meeting held was on 10th October 1934 on the invitation of Sir Sorabji N. Pochkhanawala at the Central Bank Building.

I shall be obliged if you will convey this information to the Members of your Chamber as my Association consider

that, in their interests, the allegation, which appears to be gaining ground, should be refuted.

Letter No. 775 dated 18th March 1936 from Chamber to the Exchange Banks' Association.

I am directed by my Committee to acknowledge receipt of your letter of the 28th February 1936 and to convey to you their disappointment at the unconvincing nature of your reply to their letter of the 22nd February last. Since receipt of your last letter, the Committee have received a further letter from you dated the 13th March. I am directed to inform you that my Committee are not concerned as to who initiated the present arrangement. All that they are concerned with is that the present arrangement is not in the best interests of trade, commerce and industry of the country and as such they are strongly opposed to it.

I am directed to point out that your observation, that the interests really affected by the fixation of minimum rates for advances are those of the speculator only who speculates chiefly in Government Paper, does not appear to be based on the consideration of the numerous interests involved. In the first place, I am asked to point out that the high levels touched by the prices of Government securities have, if anything, tended to reduce speculation in Government Securities, and that the technical position of the Bombay market in the main speculative security, viz., 3½% interminable loan, is such that for months past no speculator need borrow moneys thereagainst from banks, as the continued shortage of paper has made the bears pay a backwardation every fortnight. It is also rather surprising to my Committee to be told that a large number of industrial and commercial houses who hold Gilt-edged securities, against which they obtain loans and advances from banks, are not affected by the fixation of a 3% minimum rate for such advances. My Committee have been informed that before the fixation of these rates such loans were obtainable quite freely at 1½%, and in the light of this definite

experience my Committee must re-affirm their conviction that the fixation of minimum rates cannot but impede the recovery of business in Bombay.

I am also directed to draw your attention to the fact that whereas advances on bullion are proposed to be made by banks at a minimum rate of 2%, advances against Gilt-edged securities will have to pay a minimum of 3%. In view of the tremendous speculation in silver, which led to two crises within a period of six months last year, my Committee naturally find it difficult to reconcile such fixation of minimum rates with your contention that the fixation has been made to discourage speculation and particularly speculation in Government paper.

It has not been an unusual practice in Bombay for big commercial and industrial houses to obtain clean loans for short period like 7 days' notice money, and my Committee are informed that such clean loans before the fixation of minimum rates were obtainable fairly freely between 1 and 2%. The fixation of the minimum rate at 3% now would, therefore, be an obvious additional burden on the bona fide merchant and industrialist.

I have also been asked to point out that long-standing arrangements made between members of our Chamber and their banks for overdraft facilities have now been disturbed by bringing into operation from the 1st of March last the minimum rate of 4% against overdraft on Stock Exchange securities, an action which is very strongly resented, as the actual state of money conditions does not warrant the imposition of an additional burden of interest at present.

My Committee have thought it necessary to deal at length with this question and to point out to you some of the specific directions in which the fixation of minimum rates is hindering business in Bombay and now trust that in the light of the information supplied herein above your Association will be good enough to revise their decision

which, if persisted in, I need scarcely add, is likely to lead to the development of unfriendly feeling between the banks and commercial community of this City.

In conclusion, my Committee wish to emphasise the fact that elimination of healthy competition from the sphere of banking is not at all desirable, because such elimination will adversely affect trade and commerce of the country and in turn cannot fail to have repercussions on the banking business itself.

Letter dated 25th March 1936 from the Exchange Banks' Association to Chamber.

With reference to your letter of 18th instant, I have to advise that the Members of our Association consider the views expressed therein very onesided.

Your Committee seem to have overlooked the fact that there are lenders as well as borrowers in Bombay and that it is necessary for Banks to endeavour to meet equitably the needs of all classes of their constituents.

Correspondence with the Reserve Bank

Letter No. 379 dated 22nd February 1936 from the Chamber to the Reserve Bank of India.

I am directed by my Committee to send you herewith a copy of a letter addressed by them to the Exchange Banks' Association for your information and such action as may be deemed necessary by you.

With the inauguration of the Reserve Bank of India my Committee have begun to look increasingly to the Reserve Bank for the maintenance of a uniform monetary and banking policy for the country, and my Committee regret to point out that the policy enunciated by your Bank by the reduction of the Bank rate from 3½% to 3%

on the 28th November last has been sought to be defeated by the arrangement recently reached amongst the Exchange Banks' Association and other Banks to fix minimum rates for loans and advances. My Committee, therefore, trust that you will use your good offices with the Scheduled Banks in bringing about an early termination of this arrangement which, in their opinion, is bound to impede the recovery of trade and industry in this country.

Letter No. S.C.O.17/32 dated 26th February 1936 from the Governor, Reserve Bank of India, to Chamber.

I refer to your letter of 22nd instant. I have not been notified of the rates finally agreed upon by the Banks concerned, but a participant sent me the preliminary suggestions and these did not appear usurious with the official Bank Rate where it is at present.

2. Opinions will differ as to the propriety of an arrangement such as this and the abnormal cheapness of money and scarcity of investments probably prompts this action to endeavour to make ends meet. One would like to know if the agreed minima are inflexible for a period, or whether they are subject to rearrangement with the rise or fall of the Bank Rate !

3. If the rates prove usurious there is little doubt the Reserve and Imperial Banks would exercise a correcting influence and I therefore prefer to await some outcome of this experiment before making representation to those concerned.

Letter No. 779 dated 18th March from Chamber to the Governor, Reserve Bank of India.

I am directed by my Committee to acknowledge, with thanks your letter of the 26th February 1936. I am now

directed to enclose herewith copies of the correspondence my Committee have had with the Exchange Banks' Association and trust that in the light of the information supplied in the letter addressed to the Chairman, Exchange Banks' Association, you will now see your way to use your good offices in bringing about a termination of the fixation of minimum rates for advances in Bombay.

Letter dated 21st March 1936 from the Governor, Reserve Bank of India, to Chamber.

I am in receipt of your letter of the 18th instant. I am shortly proceeding to Bombay and will give this matter my attention when there.

Letter No. 947 dated 2nd April 1936 from Chamber to the Reserve Bank of India.

With further reference to my letter of the 18th March 1936, No. 779, I am sending to you herewith a copy of a further letter received from the Exchange Banks' Association.

APPENDIX 34

Indian Financial Enquiry (Sir Otto Niemeyer) Report

Letter No. 1324 dated 12th May 1936 from Chamber to Government of India, Finance department.

I am directed to send to you herewith a copy of a statement issued by the Committee of this Chamber regarding the Indian Financial Enquiry (Sir Otto Niemeyer's) Report.

Statement issued by the Committee of the Indian Merchants' Chamber, Bombay, regarding Sir Otto Niemeyer's Report:

The Committee of the Indian Merchants' Chamber have carefully considered Sir Otto Niemeyer's Report on the Financial Settlement between the Provincial and Central Governments under the Government of India Act, 1935, and must express their keen sense of disappointment with the recommendations contained in that Report. It is necessary to review briefly the historical background of the question under investigation by Sir Otto Niemeyer. When the Montagu-Chelmsford reforms were inaugurated the financial relationship between the Central and Provincial Governments was determined in accordance with the recommendations made by the Meston Committee. Under the Meston award the various Provinces were called upon to contribute a total sum of Rs. 9.8 crores to the Central Government, in order to enable the latter to meet the deficit in the Central budget, which was anticipated to occur on account of the separation of Provincial from the Central revenues and of the transfer of certain sources of revenue from the Central to the Provincial Governments. It was estimated that under that arrangement Bombay would get increased spending power to the tune of Rs. 93 lacs out of which Rs. 56 lacs was to be handed over to the Central Government as contribution of this Province, thus leaving a net increased spending power of only Rs. 37 lacs. On the same basis the other important Provinces obtained increased spending power as mentioned hereunder:—

Madras	Rs. 2.28	crores
United Provinces	,, 1.57	,,
Punjab	,, 1.14	,,
Bengal	,, .41	,,

It will be remembered that even then both the Government of Bombay and the Committee of this Chamber, whilst strongly protesting against the treatment meted out to Bombay, urged their claim for refund of a substantial portion of the revenue derived by the Central Government from Bombay under income-tax, but this demand was turned down. In the actual implementation of the Meston

award difficulties were soon experienced and the Government of India from time to time had to give relief to a number of Provinces, though it is significant to note that the claim of Bombay was entirely ignored. The continued and combined protests of all the Provinces against the levy of Provincial contributions resulted ultimately in their abolition in 1928.

The Committee of this Chamber would be loathe to grudge other Provinces the relief they succeeded in obtaining from the Centre, though it is but fair to point out that even in 1934 the Government of India granted assistance to Behar, Bengal and Burma by allocating 50 per cent of the export duty realised from jute, in order to ease the acute financial difficulties experienced by those Provinces. This Province which, in common with others, has had to meet similar difficulties in balancing her budget has patiently borne additional taxation in order to maintain its solvency, and it appears to be in conformity with the tradition of the Central Government to brush aside the claims of Bombay, however fair and just they may be for reasons which have remained hitherto inscrutable.

The recommendations of Sir Otto Niemeyer have been based principally on two considerations: (1) that under any circumstances the solvency of the Central Government must be maintained and (2) that in order not to delay the inauguration of Provincial autonomy, the Provinces must be put financially on an even level, so that the chronic state of deficits in the case of some provinces may be brought to an end.

It is obvious that if the solvency of the Centre is to be punctiliously safeguarded, the revenue of the Central Government must be increased or its expenditure curtailed to the extent to enable it to provide the assistance to the Provinces as recommended by Sir Otto Niemeyer. But Sir Otto starts away on the assumption that it is not possible to reduce the Central expenditure much below the existing

level. This is a rather gratuitous assumption in that there is no indication in the Report that Sir Otto Niemeyer expressed his opinion after a detailed study of the expenditure of the Central Government. The Committee are constrained to feel that the expression of such an opinion *ex cathedra* by a person in the position of an arbitrator considerably weakens the validity of the recommendations based on this opinion.

The Committee must further express their entire disagreement with Sir Otto Niemeyer's suggestion that the wealthier classes in India did not bear a proportionate burden of taxation, and are rather disturbed to note that he has practically recommended to the Finance Member not to do away with the balance of the surcharge on Income-tax and Super-tax which Government have promised to do. The Committee need hardly state that if Sir Otto Niemeyer's suggestion is accepted by the Government of India and the balance surcharge is not removed in the next budget, it will be looked upon by the commercial community as little short of a breach of faith on the part of Government. Sir Otto Niemeyer has failed to appreciate that the burden of direct taxation in this country is not so evenly spread as in the Western countries, as there are comparatively fewer people in this country having the capacity to pay income-tax and super-tax, apart from the fact that the wealthier classes, in common with other sections of the community, contribute their share to the indirect taxation of the country through their greater ability as consumers both of imported and locally made products.

Time has now arrived when Government will have to face the inescapable fact that the Central expenditure has to be adjusted to the taxable capacity of the Indian people and that the people of this country will never be reconciled to the existing level of this expenditure, both Civil and Military, which they have always regarded as a serious drain on their slender resources and have weakened

their capacity for economic betterment. As the other alternative of raising increased revenue in the Centre is obviously out of the question, the only possible inference is that the Central Government cannot afford any substantial relief to the Provinces for any period that can be reasonably foreseen today.

Sir Otto Niemeyer has recommended the grant of annual subventions to a number of Provinces in one form or another. For instance, Bengal will obtain Rs. 75 lacs by way of additional allocation of the export duty on jute and by the cancellation of pre-reform debt. The substantive recommendation which really affects this Province is, at any rate, not likely to come into operation at least for the first five years after the inauguration of Provincial autonomy. In principle Sir Otto Niemeyer has recognised that 50 per cent of the net collection of income-tax should be distributed amongst the various Provinces, though he has not been able to enunciate, and very naturally, any principle on which such allocation should be made. It is recommended that Bombay shall get 20 per cent of the net income-tax collection. This is evidently most unfair to this Province in that Bombay not only contributed last year a little over 25 per cent of the total net collection of income-tax by the Centre but Bombay has been denied other direct assistance as has been recommended in the case of other Provinces, apart from a small benefit which comes to Bombay as a result of the consolidation of Provincial debt to the Centre at a uniform rate of interest.

But even this prospective assistance has been made conditional on the improvement in the Railway finances. The Committee are gratified to note that Sir Otto Niemeyer shares the opinion of the Indian public in regard to the alarming state of Railway finances in this country and urges an immediate overhaul. So long as the question of the management of Indian Railways is not thoroughly sifted in its various branches, the Committee do

not see any hope of a substantial improvement in the Railway Budget, with the dismal consequence of the Center not being able to find any assistance for the autonomous Provinces. The Committee may well here point out the great practical difficulties that lie in effecting any abiding financial improvements in the management of Railways, because the management of Railways is proposed to be vested in the Statutory Railway Board, who will control the expenditure of Railways and will be outside the control of the Central Legislature. Such a position will render economic management of Railways difficult, if not quite impossible.

The Committee of this Chamber had never any doubts about the much-talked of "advance" in the Provinces under the new constitution. As a body of businessmen they realised at a very early stage the futility of a constitutional advance which was unsupported by the requisite financial resources, and it would really be putting elected Indian Ministers on an unfair test of their capacity for administration when at every stage in the effective execution of their policy they would find themselves ultimately thwarted by lack of funds.

APPENDIX 35

Indo-Burma Financial adjustments

Telegram dated 29th January 1936 from Chamber to the Government of India, Finance department.

"Committee of the Indian Merchants' Chamber protest strongly but respectfully against the recent announcement of the Secretary of State for India appointing a Committee to consider the question of minor modifications and adaptations that may be found in practice expedient regarding the Indo-Burma Financial Adjustment. This means

Committee of the Chamber presume that the recommendations made by the Amery Committee are now finally accepted by Government and the issues are not to be shifted despite the Resolution unanimously passed by the Assembly without any dissenting voice which wanted a fresh investigation altogether by another Tribunal on which representative Burmans and Indians would sit. They also asked for proper hearing of the case from all the parties concerned and yet this is entirely ignored. Committee urge that even now Government may consider the universal feeling on this subject in India and Burma both in the business community and among other sections of the population and make arrangements for giving effect to the unanimous wish of the Legislative Assembly—Inchambu".

APPENDIX 36

Refusal of Shipping Companies to accept limited Bank guarantees

Letter No. 2860 dated 6th November 1936 from Chamber to various Shipping Companies, Exchange Banks' Association, Bombay Chamber of Commerce, etc.

The Committee of this Chamber are in correspondence for sometime past, with the Chairman, Exchange Banks' Association and various Shipping Companies with reference to the decision of the Exchange Banks to give only limited liability guarantees to the extent of double the value of consignments and the refusal of Shipping Companies to give delivery of consignment against such limited guarantees. A copy of this correspondence is being enclosed herewith for ready reference. My Committee feel that the question at issue is of great importance from the commercial point of view, and have consequently decided to have a Conference where all the different interests will be represented. I am accordingly to invite your Company/Chamber/Association to send

one/two representative/representatives to attend this Conference, which is proposed to be held on Friday, the 27th November 1936 at 4-0 P.M. (S.T.) in the office of the Chamber. You will kindly let me know if your Company/Chamber/Association will join this Conference and if so, the name/names of your representative/representatives who will attend the same.

Copy of letter No. 2113 dated 20th August 1936 from the Indian Merchants Chamber to the Chairman, Exchange Banks' Association, Bombay.

"I am directed by the Committee of the Chamber to address you, as under, in connection with difficulties experienced by importing houses on account of the change in procedure adopted by Members of your Association from first July 1936 regarding Banking Guarantees.

My Committee understand that formerly when boats carrying consignments arrived in advance of documents, importing houses were able, prior to 1st July 1936, to clear their consignments under shipping guarantees countersigned by Banks pending receipts of such documents. Shipping guarantees were redeemed later on by the surrender of Bills of Lading when received. From the 1st July, however, my Committee are informed, that your Association have passed a resolution by which member-Banks, instead of giving such guarantees for unspecified liability, as they were doing previously, have decided to give only limited liability guarantees to the extent of double the value of consignments. Shipping Companies on the other hand, refuse to give delivery of consignments against such limited guarantees. Complaints have been received by my Committee that this has resulted in great inconvenience to importing houses and also in some losses on account of fluctuations in the market due to the inability of importing houses to clear their consignments in good time. I am therefore directed to request you to be good enough to enlighten my Committee as to the reasons why your

Association have changed the procedure of giving guarantees for unspecific liability from 1st July 1936."

Copy of letter dated the 29th August 1936 *from the Chairman, Exchange Banks' Association, to the Indian Merchants Chamber.*

"I have to acknowledge receipt of your letter of 20th instant and have to advise that prior to 1st July 1936 the Shipping Companies readily accepted limited guarantees signed by some Members of my Association.

I would also point out that they accepted limited guarantees in Colombo and Calcutta. My Association, therefore, see no reason why Bombay should receive different treatment from these ports.

A Bank cannot reasonably be expected to sign a Guarantee covering an unlimited liability. My Association consider that the attitude adopted by the Shipping Companies is altogether unreasonable and that your Committee should take up the matter with the Shipping Companies."

Copy of letter No. 2285 dated 7th September 1936 *from the Indian Merchants Chamber to various Shipping Companies in Bombay.*

"The Committee of this Chamber are given to understand that formerly when boats carrying consignments arrived in advance of documents, importing houses were able to clear their consignments under shipping guarantees countersigned by Banks. The shipping guarantees were redeemed later on by the surrender of Bills of Lading when received. From 1st July 1936, however, my Committee are informed that Banks have decided to give only limited liability guarantees to the extent of double the value of the consignments. Shipping Companies, however, refuse, it is said, to give delivery of consignments against such guarantees. My Committee have received complaints that

this has resulted in great inconvenience to importing houses and also in some losses on account of the fluctuations in the market due to their inability to clear the consignments in good time.

My Committee cannot understand why it is not possible for Shipping Companies to give delivery of consignments against the guarantees given by Banks which, though called limited, are to the extent of double the value of consignments. Any help rendered to trade by the Shipping Companies is always appreciated and the Shipping Companies also stand to gain by the goodwill and prosperity of trade. My Committee will be obliged if you will be kind enough to let them know why your company cannot accept the new guarantees of the Banks. They hope that you will be able to come to some understanding with the Banks and importing houses under which the new guarantees of Banks will be accepted."

Copy of letter dated 15th September 1936 from the various Shipping Companies to the Chamber dated 7th September.

"We have to refer to your letter No. 2285 of the 7th instant with regard to the recent decision by the Exchange Banks not to give, in future, unlimited guarantees to steamship agents when delivery is given without production of the Bill of Lading.

In reply we would explain that the Steamship Companies are not called upon to grant delivery except to the owner of the Bill of Lading, which we would remind is a negotiable document. If, therefore, delivery should be given without production of this document, we consider that we should recieve full indemnity for all costs that may be incurred. It is, we think, unreasonable to expect the Shipping Company to carry a portion of this risk and we have strict instruction from our Principals that we are not to do so.

Although the Banks are prepared to grant guarantees to the extent of double the value declared by consignees,

you will appreciate that the expenses in the case of wrong delivery might far exceed this amount.

Perhaps your Chamber would consider sending a letter to the Chairman of the Exchange Banks' Association pointing out the difficulties to merchants owing to the new ruling of that Association and asking them to revert to their previous procedure."

Copy of letter No. 2577 dated the 9th October 1936 from the Indian Merchants Chamber to the various Shipping Companies.

"I am directed by the Committee of this Chamber to acknowledge receipt of your letter dated the 15th September. My Committee have already addressed a letter to the Exchange Banks' Association pointing out the difficulties to merchants owing to the new ruling of the Association and requesting them to enlighten the Committee as to the reasons why that Association had changed the procedure of giving unlimited guarantees from 1st July 1936.

In reply, my Committee have received a letter from the Exchange Banks' Association advising that prior to 1st July the Shipping Companies readily accepted limited guarantees signed by some Members of the Association. It is also pointed out that Shipping Companies even now accept limited guarantees in Colombo and Calcutta. If this is so, my Committee cannot see any reason why Bombay should receive different treatment from these ports.

The Exchange Banks' Association further observe that a Bank cannot reasonably be expected to sign a guarantee covering unlimited liability.

My Committee are also informed by some Members of the Chamber that the Shipping Companies were rarely put to any loss on account of consignments taken delivery of in advance of the relevant documents. The Banks, after all,

give guarantees to their clients whom they know very well. Such guarantees, for all practical purposes, cover double the value of consignments. Under the circumstances, my Committee are of opinion that the Shipping Companies have really no legitimate reasons to refuse to accept such guarantees.

My Committee take it that you are as anxious as themselves to promote and encourage expansion of our foreign trade, but regret that particularly now that when trade needs all the stimulus and assistance that could be given for the common benefit of all, in which you certainly cannot but participate, the insistance by Shipping Companies on Banks giving unlimited guarantees will have the unfortunate effects of hampering and discouraging our foreign trade. My Committee, therefore, trust that you will reconsider your decision and agree to accept double guarantees offered by Banks."

Copy of letter dated the 21st October 1936 from the various Shipping Companies to the Indian Merchants Chamber.

"We are in receipt of your letter No. 2577 of the 9th instant with regard to the recent decision by the Exchange Banks not to give in future, unlimited guarantees to Steamship Agents when delivery is required without production of the Bill of Lading.

We would explain that the Bill of Lading is the only document on which the Shipping Companies are required legally to give delivery. The Shipping Companies therefore cannot reasonably be expected to give delivery in any other manner, unless they receive a letter of complete indemnity. It is not correct that prior to 1st July the Shipping Companies readily accepted limited guarantees. The Steamship Agents undersigned have all along insisted on unlimited guarantees."

Letter dated 17th November 1936 from the Exchange Banks' Association to Chamber.

With reference to your circular No. 2860 of 6th instant I am instructed by my Association to inform your

Chamber that the dispute with the Shipping Companies arising from the refusal of our Members to sign unlimited guarantees has at present reached a deadlock and our Members do not see that anything is to be gained by sending representatives to attend the Conference arranged by you for 27th current.

Letter dated 27th November 1936 from the various Shipping Companies to Chamber.

We are in receipt of your letter No. 2860 of the 6th instant enclosing copies of correspondence exchanged with the Chairman, Exchange Banks' Association, and various Shipping Companies with reference to the decision of the Exchange Banks to give only limited guarantees when merchants require to take delivery of cargo without production of the shipping documents. We note that it is proposed to hold a Conference to discuss this matter on Friday, the 27th November, 1936, and you invite us to send representatives.

The letter dated 29th August, 1936, from the Chairman, Exchange Banks' Association, is very unsatisfactory and we think he should be asked to give a more detailed explanation as to why the Banks have altered their previous procedure. Beyond this we have nothing to add to our previous advices and we do not think therefore that anything would be gained by our attending the Conference.

Letter No. 399 dated 11th February 1937 from Chamber to various Shipping Companies.

With reference to the correspondence ending with your letter of the 19th/27th November 1936, the Committee of this Chamber have considered the whole position afresh. A deadlock appears to have arisen with regard to this question and you will agree with my Committee that it is out in the interests of the commercial community that such

a deadlock should continue for an indefinite period of time. My Committee are taking all steps possible to remove such a deadlock, but in the meanwhile, to tide over the transitional period, they would like to suggest to the various shipping concerns to accept such limited guarantees as the banks are at present giving. It is the contention of the Banks that such limited guarantees are, as a matter of fact, accepted by the shipping concerns at Colombo and Calcutta and were also accepted even at other places prior to 1st July 1936. The guarantee which is offered by the Banks at present and which is called limited guarantee will not be, in the opinion of my Committee, adverse to the interests of the Shipping Companies so far as the experience of our members goes. Under the circumstances, if the Shipping Companies will kindly accept these guarantees, it will go a long way to remove the deadlock and to clear the position.

Letter dated 18th February 1937 from the Shipping Companies to Chamber.

We are in receipt of your letter No. 399 of the 11th instant on the question of granting deliveries against letters of guarantee. We appreciate the difficulties of consignees whose shippers have for some reason omitted to send correct documents in time, but, if their Bankers are not prepared to give unlimited guarantee, we regret we cannot take the risk of granting delivery. Whilst the position remains as at present we can only suggest that consignees here should instruct their shippers to be most careful to ensure that their documents are properly signed, endorsed and despatched promptly.

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APPENDIX 37

Indo-British Trade Agreement—Negotiations for

Letter No. 20-T(6)/36 dated 22nd July 1936 from Government of India, Commerce department, to Chamber.

I am directed to state for the information of the Committee of your Chamber that His Majesty's Government in the United Kingdom have announced their willingness to enter upon discussions with the Government of India with a view to the conclusion of a trade agreement in replacement of that concluded at Ottawa in 1932, notice of denunciation of which was given on behalf of the Government of India on 13th May last.

2. The Government of India have had under consideration the method by which negotiations with His Majesty's Government can most conveniently be carried on and they are of opinion that, as a first step, preliminary proposals should be prepared by both parties to the discussions and thereafter should be exchanged. In the preparation of their preliminary proposals the Government of India will associate with themselves a panel of unofficial advisers representative of commerce, industry and agriculture in India. It is hoped that it will be possible to announce the names of the unofficial advisers in the near future.

3. When each party—in the case of India, the Government of India in consultation with their unofficial advisers—has had an opportunity of examining the proposals of the other in relation to its own, a stage will be reached when it will be possible to formulate with some precision the outstanding issues. It is then proposed that personal contacts should be established in London between representatives of the Government of India and their unofficial advisers, on the one hand, and the representatives of His Majesty's Government, on the other, and that the final stages of the discussion be there concluded.

4. In order that the Government of India may be in a position to formulate their preliminary proposals, I am directed to invite the views of the Committee of your Chamber as to the lines on which it is considered desirable to conclude an agreement, regard being had both to the advantages which should be sought for India and the reciprocal concessions which may be given in return. It is suggested, as a matter of convenience with a view to the simplification of the work of co-ordination of the various opinions expressed, that the existing Agreement be taken as a starting point and the views of the Committee of your Chamber be expressed in the form of modifications thereof.

5. The Government of India are informed that His Majesty's Government will probably be in a position to put forward their preliminary proposals towards the end of August or the beginning of September, and I am to say that the Government of India would be grateful if the views of the Committee of your Chamber were submitted not later than the 20th August in order to permit of simultaneous exchange of the preliminary proposals.

Letter No. 2077 dated 19th August 1936 from Chamber to the Government of India.

I am directed to acknowledge receipt of your Confidential letter No. 200–T(6)/36, dated 22nd July 1936, and to communicate to you the views of the Committee of this Chamber regarding the Indo-British Trade Agreement, as under:

2. The Indian commercial community as a whole were opposed to entering into an agreement with the United Kingdom on the basis of decisions arrived at at Ottawa. It was apprehended by the commercial community that an agreement which was not based on a *quid pro quo* to India would be but of doubtful utility. These apprehensions have unfortunately been found to have materialised as a result of the working of the Ottawa. It was claimed

on behalf of that Agreement that it would lead to a substantial increase in the export trade of India with the United Kingdom and other Empire countries. This claim has not been however borne out by statistics of India's export trade, particularly in those articles to which Great Britain had given some preference, and in this wise the Ottawa Agreement has failed to achieve its objective.

3. The Ottawa Agreement and its supplementary, viz., the Indo-British Trade Pact practically placed in an indirect manner restrictions upon the liberty of India to enter into trade agreements with non-Empire countries which partly was responsible for their trade policies militating against their trade relations with this country. Under these circumstances, my Committee are not in favour of having any new agreement based upon the principle adopted at Ottawa of granting exclusive preference to the United Kingdom. A study of the foreign trade statistics with different countries clearly demonstrates the necessity of India having unreserved liberty to extend the same or similar preference to other countries to maintain, encourage and expand our export trade.

4. The following figures with regard to export and import trade between India and the United Kingdom during the last few years will be found to be interesting with reference to the question of a fresh trade agreement.

	(In crores of rupees)			
	1932-33.	**1933-34.**	**1934-35.**	**1935-36.**
Total Export trade of India.	132.4	146.3	151.2	160.5
Total Import trade of India.	132.3	115.4	132.3	134.4
India's Balance of Trade:—				
with All countries	+3.0	+34.3	+22.5	+29.9
,, United Kingdom	—11.8	—0.4	—6.2	—2.4

It will be seen from the above figures that although the general balance of trade is in favour of India, the balance

of trade with the United Kingdom is almost always adverse. This is a factor which may well be taken into consideration in any future trade agreement with the United Kingdom. It is true that during the last quinqiennium the adverse balance of trade with the United Kingdom, which was 11.8 crores in 1932-33 has come down to 2.4 crores in 1935-36 and this reduction may be put down as a favourable factor of Ottawa. My Committee however demur to this. After the world depression of 1929-30, there was a revival of the trade and India naturally shared in this revival. It will be seen from the figures quoted above that the total export trade of India increased from 132.4 crores to 160.5 crores, while the import trade of India did not share in that increase. My Committee may point out to Government that India has to find nearly 35 crores every year on an average to remit to England to meet her obligations there known as "Home Charges". Over and above these, India has also to remit abroad considerable amounts in the shape of profits on British investments, earnings of shipping and insurance companies, etc. Had it not been for the fortuitous export of gold since 1931, it would have been difficult for India to meet these external obligations. Recently however these gold exports are diminishing and it may be expected that when our exports of general merchandise assume their normal volume India may begin to import gold as in the past.

5. What my Committee therefore want to point out is that there is an absolute and essential necessity because of our adverse balance with the United Kingdom and India's external obligations to look after the expansion of the export trade of this country both to the United Kingdom and other countries. In fact the Resolution passed by the Legislative Assembly terminating the Ottawa Agreement, emphasised the desirability of expanding our export markets in various countries.

6. In order that India may be able to secure such an increasing export market for her produce in the United

Kingdom my Committee wish to place before Government certain suggestions which, they hope, will receive favourable and sympathetic consideration.

7. In the first place, my Committee beg to draw the attention of Government to India's purchasing nearly one-third of her piecegoods requirements from the United Kingdom, against which the purchase by the United Kingdom of Indian raw cotton in relation to her total imports of cotton is insignificant. My Committee realise that during the last few years efforts are being made by Lancashire which have resulted in an increase in the import of Indian cotton into the United Kingdom, but such an increase is still much below what United Kingdom's purchase of Indian cotton should be in the ordinary course. The following table will show United Kingdom's total imports of cotton and India's share in the same:—

	(In million pound sterling)					
	1930.	**1931.**	**1932.**	**1933.**	**1934.**	**1935.**
Total imports of cotton into U.K.	43.7	26.2	29.0	35.8	33.8	35.9
India's share	3.4	1.9	1.0	2.2	3.1	3.5

This slight percentage of Indian cotton in the total purchase of cotton by the United Kingdom should be immensely increased if consideration has to be given to equity and fairness in Indo-British Trade. Under the circumstances, my Committee suggest that Government should seriously consider the advisability of recommending to His Majesty's Government substantial preference to Indian cotton.

8. It will be noticed that the final destination and the best customer of our surplus Oomras is Japan. If Lancashire wishes to help India out of her dependence on Japan in this respect, she must enormously increase her consumption of Oomras and not confine herself to a few thousand bales of C. P. Cotton. Japan's takings of Oomras alone are more than double the U.K.'s takings of all

Indian cotton. In short, there is a great leeway to be made up by the U.K. before her purchases of Indian cotton can be considered in any manner as compatible with the position she occupies in the import trade of this country.

9. Another article on which the Government of India may justifiably claim for preferential treatment is Indian linseed. There was obviously some increase in the import of Indian linseed in the U.K. during the year in 1933-34 as will be seen in the following table.

Imports of Indian Linseed into the U.K.

Year	Tons
1933-34	176,000
1934-35	104,000
1935-36	76,000

The fact of the above increase in 1933-34 was made much of by those who expected much and foretold more about the so-called favourable effect of Ottawa. The increased off-take, however, of Indian linseed by U.K. in 1933-34 was not so much due to any preference given to it as to the serious damage to the Argentine crops then, and the favourable parity of Indian linseed. Recently, however, as will be seen from the above figures, even this temporary factor of advantage in favour of Indian linseed has disappeared and the imports of Indian linseed into the U.K. have seriously declined, showing how the present preferential duty has in no way benefited Indian produce. My Committee also wish to bring to the notice of Government the fact that the U.K. on the one hand gave preference to Indian linseed, which by the way was inadequate, on the other she granted considerable drawback on linseed oil from Argentine linseed exported from the U.K. This amounted practically to taking away the preference, however inadequate, by the back door. My Committee trust that in any future agreement, the Government of India should see that no such arrangement is adopted by the U.K. as to render nugatory the preference that may be secured for Indian linseed and other commodities.

10. Groundnut is another article for which Government press for adequate preference. Under the Ottawa Agreement, the preference secured did not materialise into any substantial export of Indian groundnut to the U.K., as will be seen from the following table.

Year	Total Exports	U.K.'s share
1932–33	433,000 Tons	32,000 Tons
1933–34	547,000 ,,	53,000 ,,
1934–35	511,000 ,,	134,000 ,,
1935–36	413,000 ,,	52,000 ,,

11. Tea is another article for which India can legitimately claim substantial preference from Great Britain. At present Ceylon and other countries offer serious competition to Indian Tea in the British market and the present preference that was granted to it at Ottawa has been found quite inadequate to stimulate export of Indian Tea to that country. My Committee therefore submit that adequate preference should be secured for Indian Tea in the U.K.

12. Other articles for which preference may well be claimed for export purposes are Coffee and Hides and Skins, which have been receiving favourable import from non-Empire countries.

13. The Ottawa Agreement has adversely affected a number of Indian industries by securing preferential treatment to the U.K. products which compete with the former. Such a preferential treatment, apart from the deleterious effect on Indian industries, has also resulted in a considerable loss to the Indian Customs revenue, as in most cases the preferential treatment was secured not by increase in duties on non-British goods but by reduction in the then existing duties on the U.K. products. This was obviously most unfair both to the Indian industries and to the Indian Exchequer. My Committee therefore wish to emphasise the urgent necessity of bearing this important aspect in mind while negotiating any fresh preferential treatment of the

U.K. products. Illustrating this, my Committee would like to mention that alluminium is one of the items which should be omitted from the list of items of preference and such list should be carefully scrutinised. It should be the paramount consideration of the Government of India that industrial advancement of the country is not thwarted by any preferential treatment to the U.K. and that India's revenues do not suffer by such treatment.

14. The Indian commercial community has time and again pointed out that the policy of discriminating protection is inadequate for rapid industrialisation of the country. It will be still more so, if as a result of a fresh trade agreement between this country and the U.K. it is proposed to dilute it. My Committee are of opinion that no preferential treatment should be given in respect of articles to which protection has been granted in India. They, therefore, urge upon Government to make this point quite clear to His Majesty's Government.

15. It has been argued that the lower range of duties that India imposes on some of the articles of U.K. are in the nature of differential duties inasmuch as the British products do not compete with similar Indian products and, therefore, should be allowed at a lower duty than that levied on non-British products. These differential duties, however, are for all practical purposes preferential duties for the U.K. products only and the Government of India should under no circumstances agree to any scheme of differential duties which as applied today are not distinguishable from preferential ones.

16. My Committee in this connection beg to draw the attention of Government to the disastrous exchange and currency policy pursued by them for several years past and particularly since 1931. India by the linking of the Rupee to sterling when Great Britain went off the Gold standard in September 1931 obtained some measure of devaluation. This, however, was not sufficient at all. The advantages of the linking to sterling cannot be by any means uniform in all the countries of sterling area and

Government cannot be unaware of the fact that various countries in the area, over and above Great Britain herself, such as Australia, Canada, etc., have shaped their currency and exchange policies in a manner calculated to further the best interests of their trade, commerce and industry. On the other hand, it is sad to note that the Government of India did not shape the currency and exchange policy of this country in this fashion. It is, therefore, vitally essential that India's currency and exchange policy should be managed to suit the requirements of India's trade, commerce and industry and agriculture.

17. In conclusion, my Committee wish to urge that the trade negotiations between this country and the U.K. should be carried on in this country, so that the Government of India may have full benefit of expert advice from the accredited representatives of the Indian commercial community at every stage of the negotiations.

APPENDIX 38

Indo-Japanese Trade Negotiations

Letter No. 1168/33 *dated* 17*th February from the Governmet of Bombay, Finance department, to Chamber.*

I am directed by the Governor in Council to enclose herewith a copy of letter No. 312-T(1)/36 dated 6th February 1936 from the Government of India, Department of Commerce, on the subject noted above, and to request that Government may be favoured, as urgently as possible, with the views of your Chamber on the proposal made by the Government of India.

Letter No 312-*T*(1)/36 *dated 6th February* 1936 *from the Government of India, Commerce department, to the Government of Bombay.*

I am directed to invite the attention of the Government of Bombay to the fact that the Convention and Protocol

regarding the commercial relations between India and Japan which were signed on the 12th of July 1934 will, subject to due notice of denunciation, cease to be effective after the 31st of March 1937 and to say that the Government of India have now under consideration the desirability of renewing the Convention and Protocol either as they stand, or in a modified form, or of negotiating an entirely new Agreement. They would, therefore, welcome the opinion of the Government of Bombay in the light of experience of the existing Agreement, as to the lines on which modification or amendment appears desirable. I am to say that the Government of India would be greatly obliged if the reply of the Government of Bombay were received before the end of March 1936.

Letter No. 1119 *dated 22nd April* 1936 *from the Chamber to Government of Bombay.*

With reference to the letter from the Government of India, dated 6th February 1936, No. 312-T(1)/36 on the above question, the Committee of this Chamber have carefully considered the issues involved and would like, at this stage, to express the following views.

The Indo-Japanese Agreement, which was entered into two years back, has safeguarded the interests of Indian cotton growers inasmuch as Japan was required to take 1,000,000 to 1,500,000 bales of cotton. The total production in India of cotton is about five million bales, of which two millions are taken up by mills; two millions go to Japan and about a million more goes to different countries, including the United Kingdom. Any Agreement which is concluded with Japan should naturally take note of the claims of Indian cotton growers and it should be provided that Japan should at least continue to take one to one-and-a-half million bales of cotton from this country. The unusual circumstances created by the Japanese boycott of Indian cotton under which the existing Agreement was negotiated, possibly then justified a more

generous treatment granted to Japanese imports, at the risk of inadequate protection to our textile industry. At the same time, it should not be forgotten that the fundamental object underlying the Indo-Japanese Agreement is to safeguard the interests not only of cotton but also of the cotton textile industry, and in looking to the interests of cotton the interests of textile industry should not be jeopardised. My Committee are afraid that owing to the present Agreement the local cotton textile industry has suffered through Japan being able to import piecegoods not only according to the fixed quota, but also to import piecegoods into British India by re-export across the land frontiers of Indian States and otherwise. The present Agreement again does not include imports of artifical silk piecegoods, artifical silk mixtures and fents, and ready-made clothes in which too Japan is now making a considerable trade. These indirect importations, above the fixed quota, created very serious competitors with locally made cotton piecegoods, and it is vitally essential that any new Agreement that may be concluded should take note of such imports.

Over and above this, my Committee have been struck by the very serious inroads imports of other Japanese articles are making into this country at the expense and cost of what may be termed as small industries. The phenomenal cheapness of Japanese imported articles as a result of frequent cut in prices has seriously threatened the existence of a number of small industries of recent growth and is discouraging new industrial enterprise.

In the opinion of my Committee, one grave omission in the present Indo-Japanese Agreement, concluded in 1934 was the absence of any provision affecting Indian production in many articles which are being imported from Japan. The total trade of Japan in these articles (excluding textiles) has been as follows for the last three years:—

Year	Rupees (Crores)
1932-33	4.94
1933-34	5.62
1934-35	6.70

My Committee have heard, from time to time, complaints of severe competition in the Bazars due to the cheapness of articles imported from Japan. These complaints have been confirmed by their recent enquiry in regard to many articles. The abnormality of Japanese prices is a phenomenon which has been seen not merely in India but elsewhere in the world. Under these circumstances, my Committee are of opinion that in any new Agreement which may be made with Japan, there should be a specific provision protecting Indian producers against any undue competition from Japan. The Committee of the Chamber will not go into detail, at this stage, as to what is undue competition, but they feel that the least which can be done would be to inform the Japanese Government that the Government of India will be armed with special powers so that with regard to any particular article if Japanese competition places an unbearable pressure, the Government of India would under these powers by some kind of simple machinery, which they will provide, be free to raise the duty against the import of such article from Japan promptly and effectively.

My Committee express the above views on the basis that Japan is willing and anxious to maintain her trade and that India is willing to give scope for such trade only when it does not interfere directly with and wipe out capital sunk in India in productive organisations.

Under these circumstances, my Committee consider that proposed agreement should take note of the following factors:—

(*a*) Interests of cotton growers;
(*b*) Interests of cotton textile industry; and
(*c*) Interests of small industries.

It is necessary that an Indian Agent to the Government of India should be appointed in Japan to look after the fulfilment and carrying out of the Agreement. Japan has got a pretty good number of Consuls in this country as also a Consul General, while India has to rest satisfied with only

British Consuls and a British Ambassador. Therefore it is necessary in the interests of this country that an Agent who may be called either Indian Consul or Indian High Commissioner should be appointed in Japan to look after Indian interests, which have not been adequately looked after, specially with reference to the Agreement.

It will be seen from this representation, as also from other representations which Government may have received and will receive, that the suggestion made by my Committee in their first letter is very necessary to be carried out, viz., that a Committee of an All-India character should be appointed with a view to consider in detail all the different aspects of the situation and to prepare a joint and concerted case on behalf of all the different interests so that the hands of Government might be strengthened. In particular, my Committee are anxious that a threat of boycott of Indian cotton, whether as a bluff or a reality, should not lead to a stampede and to Indian manufacturing interests being unduly penalised and India as a whole making a bad bargain. My Committee, therefore, hope that the Government of India will be pleased to adopt this suggestion of theirs and to have a Committee of an All-India character.

APPENDIX 39

Report of the Special Tariff Board regarding Textile Industry

(NOTE.—Reference to Government of India, Commerce department Resolution No. 341-T (10) dated 25th June 1936, and Notification of the same date).

Letter No. 1975 *dated 4th August* 1936 *from Chamber to Government of India, Commerce department.*

The Committee of this Chamber have gone through the Report of the Tariff Board on the Cotton Textile Industry and the Resolution of the Governmet of India thereon. The

Report has made recommendations which in principle are serious and of a far-reaching character. These recommendations, in the opinion of my Committee, go counter to the Resolution passed by the Legislative Assembly with regard to the Ottawa Agreements. My Committee have, from time to time, expressed themselves against the principle of Imperial Preference, which has been interwoven by Government in their policy of discriminating protection for sometime past. The Resolution of the Assembly, however, terminating the Ottawa Agreements and asking Government to give notice forthwith of such a termination, expressed in very clear terms the desire of the Legislature for terminating Imperial Preference as far as possible. The Report of the Tariff Board has made recommendations for lower differential duties for imports from United Kingdom which can only mean the continuance of Imperial Preference. It is true that the scope of the Tariff Board was limited; but then there was no reason why its scope should have been limited in that wise, and even if it had been so limited, it was open to the Tariff Board to steer clear of Imperial Preference. Instead of this, they definitely recommended a preferential duty for Great Britain and thus indirectly attempted to establish the principle of Imperial Preference, though it had been negatived by the Resolution of the Legislature referred to above. My Committee have also got much to say about the character of the recommendations of the Tariff Board, but they do not propose doing so at this stage. They, however, want to state that they are painfully surprised at the decision of the Government to give effect to the recommendations the very next day of the publication of the Report. It would have been much better if Government had placed these recommendations before the Legislature and sought their cooperation with regard to any steps they proposed taking. Even though Government possess technical powers to deal with the situation in the manner they have done, they should have, looking to the important issue involved in the recommendations and the interest taken in them by the country as a whole, preferred to place the recommendations before the Legislature.

APPENDIX 40

Tariff Board's recommendations regarding classification of Paper

Letter No. 1767 dated 15th July 1936 from Chamber to the Government of India, Commerce department.

I am directed by the Committee of this Chamber to address Government, as under, in regard to Government Resolution No. 202-T-(3)/35, dated 23rd May, 1936, on the recommendations of the Tariff Board regarding classification of certain kinds of paper for Customs purposes and also the advisability of removing the 25% surcharge on paper protective duties.

My Committee have carefully considered the Resolution, and particularly the intention expressed by Government in paragraph 4 thereof. They feel that it will not be in the best interests of the Indian Paper Industry to remove the 25% surcharge as contemplated by Government. They are informed that the Indian paper mills have not yet been able to realise the prices as were calculated by the Tariff Board in 1931 as fair prices. The removal of surcharge under such circumstances would adversely affect the Indian industry. My Committee are, therefore, strongly opposed to the suggestion made by Government to conduct a departmental enquiry as to whether the continuance of the surcharge on paper protective duties was any longer justifiable.

In this connection, I am directed to draw the attention of Government to the fact that one of the main objects of giving protection to the Indian Paper Industry was to stimulate production of bamboo and wood pulp in India and its greater use by the Indian paper mills. While the Indian paper mills seem to have increased the use of indigenous paper pulp, some of them have still to rely on foreign pulp for their raw material. It appears that production of pulp in India has not increased to such an extent as would enable the indigenous paper industry to draw its entire supply from it. In order, therefore, to stimulate production of

Indian pulp, it is necessary that the Government of India, as well as Provincial Governments, should institute further researches. Government should also impress upon the indigenous paper industry the necessity of making greater use of Indian pulp.

APPENDIX 41

Abolition of the Tariff Board

Letter No. 1668 *dated* 3*rd July* 1936 *from Chamber to the Government of India, Commerce department.*

The Committee of this Chamber learn from a communication which appeared in the Press recently that the Government of India have dispensed with the Indian Tariff Board. For several years past, my Committee have been pressing on Government the desirability of remodelling the constitution of the Tariff Board on lines which were in vogue in some of the advanced industrial countries. This had not been done however. The business community had to rest satisfied with the Indian Tariff Board constituted as it was. My Committee however should like to stress that even that Tariff Board, with its out-of-date constitution served the purpose of carrying out the objects of the policy laid down by the Indian Legislative Assembly and approved both by the Government of India and the Secretary of State for India, viz., the policy of discriminating protection. For sometime past, it appears as if the Government of India were themselves not in favour of continuing even this policy of discriminating protection. My Committee may be wrong in coming to the conclusion, but they have been forced to it by the trend of events in recent times. Protection has been refused to the Indian Woollen Industry, Indian Glass Industry, the Healds and Reeds Industry, the Shuttle Industry, etc., and even the protection enjoyed by the Indian cotton textile industry has only recently been whittled down. The abolition of

the Tariff Board, coming as it does close upon this refusal of protection to all such industries, and the disinclination manifested by representatives of the Government of India in the Legislative Assembly to accord protection to Indian industries, led my Committee and other commercial organisations to fear that the Government of India are on the eve of abandoning even the policy of discriminating protection which, Government cannot be unaware, was always regarded as a very mild compromise by the Indian commercial community. My Committee are, therefore, anxious for a statement by the Government of India with regard to the abolition of the Tariff Board to allay public anxiety and dispel public fears. They hope that the Government of India will be pleased to state as to what have been the exact reasons that have led to this abolition and what is the policy Government propose pursuing in near future with regard to protection to Indian industries. My Committee are not unaware that *ad hoc* Tariff Boards can be appointed whenever the interests of any particular industries required it. The Government of India will be pleased to state whether such *ad hoc* Tariff Boards will be appointed in future; whether there is no application of any industries before them at present, and whether they want to pursue the policy of discriminating protection in future as they have done upto now.

APPENDIX 42

Import duty on Spun Silk Yarn and Staple Fibre

Telegram dated 15th April 1936 from Chamber to Government of India, Commerce department.

"Committee Indian Merchants' Chamber have considered Bill No. IX of 1936 further to amend the Indian Tariff Act, and approve of the reduction in duty proposed therein for Staple Fibre. At the same time Committee urge that Government should reserve to themselves the power of increasing the duty if it appears that Staple Fibre is

imported from any country at a much cheaper rate and threatens to affect interests of Indian cotton adversely. Regarding Spun Silk Yarn, Committee approve of the increase in duty on same. Government should in this case also remain watchful to see that if the interests of handloom weavers are adversely affected they should lower the duty when necessary---Inchambu".

APPENDIX 43

Imports of Australian Wheat

Telegram dated 11th June 1936 from Chamber to Government of India, Commerce department.

"Committee Indian Merchants' Chamber understand that Australian wheat flour is being imported into Burma in increasing amounts stop Committee are afraid that what is happening in Burma is bound to take place in India adversely affecting the Indian Milling Industry stop Committee therefore urge Government to take suitable effective action atonce before the Indian Milling Industry is crippled".

APPENDIX 44

Protection to the Silk Industry

Letter dated 22nd September 1936 from Chamber to the Government of India, Commerce department.

The Committee of this Chamber had addressed Government in March 1935 (*Vide* letter No. 732, dated 13th March 1935, to your Department), drawing attention to the plight of the Indian Sericulture Industry on account of inadequate measure of protection accorded to it by Government.

The position of the Industry since then has gone from bad to worse, as has been abundantly shown by the Memorandum submitted by the Mysore Chamber of Commerce on 28th August 1936 to Government. My Committee beg to submit that the successive falls in prices of imported raw silk during the last several years as disclosed in Table XII of the Memorandum and increasing imports of raw silk, particularly from Japan (*Vide* Table I), have rendered the very existence of the Indian Sericulture Industry extremely precarious.

Under the circumstances, my Committee beg to impress upon Government the urgent necessity and desirability of taking such effective steps as would check abnormal imports of raw silk and silk piecegoods as also silk and artificial silk yarn into India and thereby accord the much-needed measure of protection to the Indian Sericulture and Silk Industry.

Letter No. 3051 *dated 26th November* 1936 *from Chamber to Government of India.*

In continuation of the representation made by my Committee to Government on 22nd September 1936 in regard to adequate protection to the Indian Sericulture Industry, I am now directed to further address Government in regard to the inadequate protection to the weaving section of the Indian Silk Industry, as under.

In 1934, when the Government of India granted protection to the Indian Silk Industry, the measure of protection thus accorded was not equal in extent and degree to that recommended by the Tariff Board of 1933. Even the prices on which the then Tariff Board recommended protection to the Industry have since then registered considerable fall. The measure of protection has thus deteriorated on account of this fall in prices of imported silk piecegoods. All this has naturally adversely affected the Indian Silk Industry, whose position is becoming precarious

day by day. Under the circumstances, my Committee beg to request Government to be pleased to grant at least that measure of protection to the Indian Silk Industry as was originally recommended by the Tariff Board.

APPENDIX 45

Interview with Mr. W. W. Nind, Member, Central Board of Revenue—Record of the Interview

A Special meeting of the Committee was held on Tuesday, the 20th October 1936 at 3-30 P.M. (S.T.) to have an interview with Mr. W. W. Nind, C.I.E., Member, Central Board of Revenue.

Sir Rahimtoola Chinoy, the President, opened the discussion with the following remarks:—

I should like to welcome you, on behalf of the Committee of the Chamber, to this meeting to discuss some questions affecting your Department.

The first question relates to Customs agreement with Maritime Kafhiawar States, an announcement with reference to which was made recently by the Hon'ble the Finance Member in the Legislative Assembly. Since a long time past, my Committee have been agitating with regard to the question of diversion of trade from Bombay, one of the causes for which was the opening of different new ports in Kathiawar. Nominally the duty at these ports was the British Indian duty, but there were so many other concessions to merchants that it was not surprising that several people chose to get their goods from foreign countries via those ports. My Committee need not enter into any details at this stage, but they are glad that the Government of India have at last recognised the justification of the complaints made by my Committee and other commercial bodies in Bombay time after time, and have settled the

problem by entering into an agreement with certain Kathiawar States. There is one State still, with which Government have not entered into any agreement, and my Committee will be obliged if you can kindly inform them as to whether there is going to be any agreement with this State, as also whether there is going to be any agreement with Cutch. My Committee will also be obliged if you can enlighten them if any Customs Agreement has been entered into or is going to be entered into between the Government of India and the French authorities at Pondicherry.

2. Smuggling via land over the Frontier.

Frequent complaints are being made that smuggling on an extensive scale is being carried on by land over the Frontier. The Committee will be obliged if you will be pleased to enlighten them on this question and also let them know what measures, if any, have been taken or are under contemplation by the Government of India to put a stop to such smuggling.

3. Basis for assessment—ad valorem.

The attention of my Committee has been drawn by merchants to the various difficulties experienced by them in regard to the present method of assessing goods on *ad valorem* basis. It is contended that Customs authorities levy duty on the basis of price ruling in the market at the time of arrival of the goods, while merchants may have actually paid much lower for their goods. In view of the wide fluctuations that are prevailing all over the world at present, it adversely affects the business community who are called upon to pay much higher duties than what they are liable to pay if the alternative system or assessing on invoice value basis is resorted to. It is contended that this method will safeguard merchants against payment of higher duty. My Committee hope that you will consider the feasibility of this alternative method being adopted for purposes of assessment on *ad valorem* basis.

4. Marks of Origin on imported goods.

You are no doubt aware that several instances have been brought to the notice of the Government of India by this Chamber as well as by other commercial bodies, of goods imported into India without bearing any marks of the country of origin, and giving the impression that the same were locally manufactured. This is giving a wide loophole to unscrupulous people to palm off foreign articles as Indian goods. My Committee sent up the articles in question to Government, those being a Dhoti, a Saree, as also recently some match boxes, all of which though clearly manufactured in foreign countries and even the Customs authorities admitted the same, were passed off here as Indian goods. This is a grave abuse of the Rules and Regulations and it is, therefore, vitally necessary that the Merchandise Marks Act should be amended to prevent this. My Committee have been urging this upon Government for sometime past with a view to make it obligatory on the importer to have on the goods imported the marks of origin. They will be obliged if you will kindly let them know what progress has been made in this regard by Government.

Mr. Nind replied to the points raised seriatim.

1. **Agreement with Maritime States.**—He referred to the statement made by the Hon'ble the Finance Member at the last session of the Legislative Assembly in reply to a short-notice question and observed that there was nothing to add to the information contained therein. He pointed out that the position in regard to Bhavnagar remained as it was explained in the statement and that until the Bhavnagar Darbar gave the particulars asked for, the restriction imposed recently would continue. He felt that on the whole the arrangement with the States would work satisfactorily. As regards Cutch, he pointed out that Cutch had throughout been outside the Customs Union and that for purposes of Indian customs that State was treated entirely on a par with foreign countries. Although he was inclined to agree that a similar arrangement with Cutch may be

desirable, he was not aware of any negotiations in that direction having taken place recently.

2. **Smuggling.**—He stated that various precautions had been taken to prevent or minimise smuggling across the land frontiers. He instanced the cases of the strengthening of the Customs cordon at the Cutch and the French borders. He also referred to the Agreement with the French authorities, whereby the abuse of despatching silk and other valuable goods through the letter post without paying duty was sought to be prevented. He assured the Committee that Government were alive to the seriousness of the abuse and were taking all possible precautions.

3. **Basis of assessment.**—He said that he appreciated the difficulties inherent in the existing system. Regarding the suggestion for adopting a system of assessment based on the invoice, he pointed out that it was difficult to accept all invoices as *bona fide*. Any change in the basis of assessment, he added, would necessitate an amendment of the Sea Customs Act.

4. **Marks of Origin.**—He pointed out that the suggestion made should mean amendment of the Merchandise Marks Act. His department was mainly concerned with administering the Act as it stood and that the initiative for any change in the Law should come from the Commerce Department. He, however, promised to place the point before the Commerce Department.

Mr. A. D. Shroff, the Vice-President, thanked Mr. Nind for his patient hearing and for the detailed nature of his replies and expressed the hope that when he went back to headquarters he would give due consideration to the suggestions made.

APPENDIX 46

Marks of Origin—Enquiry by the International Chamber

Letter dated 16th September 1936 from the Indian National Committee, International Chamber, to Chamber.

The Committee on Customs Technique is entrusted by the International Chamber of Commerce, Paris, to find practical remedies for the difficulties met with by export trades and industries as the result of existing regulations and requirements. With that end in view the International Chamber of Commerce has asked the National Committees to furnish it with certain essential information on the following points.

(*a*) Are the present practice and requirements of your country in complete conformity with the recommendations on marks of origin issued by the Economic Committee of the League of Nations and approved by the Council of the International Chamber of Commerce, subject to certain observations of the I. C. C.'s Committee on Commercial Policy and Trade Barriers? If not, in what respects do they differ?

(*b*) What difficulties, if any, are met with by the exporting trades and industries of your country owing to the requirements and regulations of other countries in respect of marks of origin?

Under the Sea Customs Act and the Merchandise Marks Act imports of all goods by Sea or Land are restricted unless the goods bear Trade Marks of trade and descriptions to identify the manufacturer or producer and the country of origin thereof; and both these acts provide punishments for applying false Trade Mark and trade description of the goods. The Indian National Committee will very much appreciate if concrete instances are furnished to it by Indian exporters indicating the difficulties

that are met with both owing to the requirements and regulations of other countries in respect of Marks of Origin and I shall thank you to forward to me concrete instances to reach this office not later than Monday the 5th October, 1936.

Letter No. 2523 dated 1st October 1936 from Chamber to the Indian National Committee.

With reference to your letter of the 16th September, regarding Marks of Origin, I am directed by my Committee to enclose herewith a Note regarding correspondence exchanged between them and Government from 1922 onwards in regard to difficulties experienced by merchants on account of the defective provisions of the Indian Merchandise Marks Act.

NOTE regarding Marks of Origin

The Committee of the Indian Merchants' Chamber have been in correspondence with the Government of India from 1922 onwards with regard to several complaints received from merchants in connection with defective provisions of the Indian Merchandise Marks Act in respect of Marks of Origin.

In 1922, the Committee drew the attention of the Collector of Customs, Bombay, to a consignment of Dhotis having all the marks stamped in Gujerati and having nothing to distinguish them from Dhotis made in local mills and thus giving an impression that they were made in India. The Collector of Customs, Bombay, admitted that the goods in question did infringe the provisions of the Merchandise Marks Act. The Committee also wrote to the Government of India in this connection requesting them to amend the said Act to the effect that all goods made in the U.K. should have a stamp showing the country of origin as such a requirement would make it impossible for fraud being committed on the Indian public. In reply,

Government stated that marks of country of origin on imported goods were not generally compulsory under the Act, but it was so only when the trade mark or other mark on the goods would cause a supposition that such goods were the product of some country other than that in which they were really made. Under the circumstances, Government regretted they did not consider necessary amendment of the Law as suggested by the Committee.

In 1933 the Committee again addressed the Government of India drawing their attention to a consignment of Sarees imported from the U.K. into Calcutta without any stamp regarding country of origin on the same. These Sarees were made similar both in design and texture as those of the local mills. In view of this the Committee strongly urged the necessity of amending the Merchandise Marke Act so that all imported goods, including those from the U.K., should have countries of origin marked on them. Government again put forward the same old plea that marks of country of origin on imported goods were not generally compulsory under the Act.

In 1935 the Committee again wrote to the Government of India drawing their attention to the most unsatisfactory nature of the Merchandise Marks Act in India inasmuch as it allowed importation of foreign goods without any marks of the country of origin on them, which was highly detrimental to Indian industries.

This matter had also been discussed by the Committee with the Commerce Member and the Commerce Secretary of the Government of India time after time during their usual interviews.

The Government of India have not so far taken any action, but promised that as soon as their hands were free from legislation regarding Indian Companies' Act and Insurance Law in India, they would take up the question of the revision of the Indian Merchandise Marks Act. (*Vide* Chamber's Report for 1935, pages 452–458).

The Committee had also drawn the attention of the Government of India to imports of Japanese matches with misleading labels into Cutch.

The correspondence regarding the above items will be found in the Chamber's Report for 1935, pages 249–252.

Another instance was brought to the notice of the Hon'ble Mr. T. A. Stewart, Commerce Secretary, at his interview with the Committee in July 1934, of electric bulbs imported into India without any marks of origin, thus giving an impression that they were Indian made.

APPENDIX 47

Method of valuing goods taxable ad valorem. Enquiry by the International Chamber.

Letter dated 16th September 1936 from the Indian National Committee, International Chamber, to Chamber.

The International Chamber of Commerce through its Committee on the Customs Technique has taken up an enquiry concerning the methods of valuing goods taxable *ad valorem* as it feels that the present diversity of practice and legislation in this respect is a serious obstacle to the smooth working of international trade. With that view the International Chamber has decided to collect full information as to the systems of valuation employed in the various countries and the way in which they are applied in practice.

The data required by its Committee on Customs Technique are as follows:—

(*a*) The actual texts of any laws and regulations in force in each country concerning the valuation of goods taxable *ad valorem*;

(*b*) A brief commentary, with examples, showing how the laws and regulations are applied in practice by the customs authorities;

(*c*) Information from exporters as to the difficulties they have met with abroad as the result of existing legislation and practice in this connection; concrete instances of these difficulties would be appreciated.

I am enclosing a copy of the procedure followed by the customs authorities in India concerning the valuation of goods taxable *ad valorem* but it is not possible for me to furnish the Committee on Customs Technique either examples of how these laws and regulations that are applied in practice by the customs authorities or the difficulties experienced by Indian exporters abroad. The Indian National Committee will feel obliged if it would be possible for your constituent members to cite examples for the information of the Committee on these points. Replies should reach this office not later than Monday the 5th October, 1936.

Copy of Section 30 of the Indian Sea Customs Act (1878)

The Sea Customs Act (1878) lays down that the real value of goods taxable *ad valorem* shall be deemed to be:—

(*a*) "The wholesale cash price, less trade discount for which goods of the like kind and quality are sold, or are capable of being sold, at the time and place of importation or exportation, as the case may be, without any abatement or deduction whatsoever, except (in the case of goods imported) of the amount of duties payable on the importation thereof:—

Or

(*b*) "Where such price is not ascertainable the cost at which the goods of like kind and quality be delivered at such place without any abatement or deduction except as aforesaid."

Letter No. 2548 dated 6th October 1936 from Chamber to the Indian National Committee.

With reference to your letter of the 16th September 1936 regarding the above, I am directed by my Committee to bring to your notice the following difficulties experienced by merchants on account of the present method of valuing goods taxable *ad valorem* in India. At present the Collectors of Customs in India assess duty on *ad valorem* basis in accordance with Section 30 of the Sea Customs Act. You are, no doubt, aware that during the last several years there have been wide fluctuations in markets on account of a number of factors. The Customs proceed to appraise goods at the time of import and levy duty on the basis of prices then ruling. This, however, in practice generally works out adversely to the interests of importers inasmuch as they may have paid actually much lower prices than what the Customs may decide to assess them for.

As a matter of fact, the Collectors of Customs themselves have not been able to evolve a satisfactory basis for arriving at prices for assessing goods on *ad valorem* basis as would be found in the difficulties experienced by them, particularly with regard to silk piecegoods imported from China and Japan into various ports of India. My Committee feel that such a difficulty must also have been experienced in connection with assessing to duty various other articles.

My Committee have circularised members of the Chamber for concrete instances in which they might have experienced difficulties due to the present method of assessment of *ad valorem* basis and as soon as I am in possession of such instances, I shall forward the same to you.

APPENDIX 48

Forms for Certificates of Origin under the Ottawa Preference Scheme

Letter No. 2790 dated 30th October 1936 from Chamber to the Government of India, Commerce department.

I am directed by the Committee of this Chamber to address hereby Government in connection with certain difficulties experienced by the Indian exporters with regard to the above forms.

My Committee are informed that the British Customs authorities require Forms 119 and 120 to be filled in by the Indian Shippers for Certificates of Origin for goods entitled to receive preference on their importation into the United Kingdom. Form 119 is required for some specific produce, viz., Chicory, cocoa, coffee, fresh fruit, dried fruit, hops, silk, spirits, sugar, tallow, tea, tobacco, wheat and wine, while for other produce and manufactured goods Form 120 is used.

According to Form 119 the Certificates of Origin for goods exported from India to the United Kingdom require to be signed by the Proprietor or partner or the principal official of the grower or producer or supplier as the case may be, and according to Form 120 the Certificates of Origin are to be signed by the Proprietor, partner, or principal official of the manufacturer. On the other hand, it may be pointed out that Certificates of Origin for goods exported from the United Kingdom to various parts of the Empire including India can be signed by the manager or the Chief Clerk of the manufacturer or the supplier as the case may be.

The grievance of Indian merchants with regard to these Forms lies in this that, while shippers from the United Kingdom are not required to disclose source of their

supplies, shippers from India have to supply all these particulars, which it is contended, adversely affect their interests. Furthermore, it is contended, that it is impossible for Indian shippers to obtain the names of original producers of raw produce and other articles which they export in large quantities to the United Kingdom. If the British Customs authorities insist on demanding Certificates of Origin in the Form 120, which is mainly in use for articles exported from India to the United Kingdom business from this end on that basis would be difficult, if not impossible.

My Committee feel that there is no reason why the Indian forms of Certificates of Origin, namely, Form 119 and 120 should be on different lines from those of British Certificates of Origin. They, therefore, beg to recommend to Government to have the Indian Certificates of Origin modified suitably to meet the needs of the Indian shippers.

In this connection, my Committee desire to draw the attention of Government to another difficulty namely that these forms (Form 119 and 120) are not available at all in India and have to be specially indented from London which causes inconvenience to the merchants here. My Committee, therefore, suggest that Government should arrange to have these forms printed in India so that the Indian shippers may not have to suffer inconvenience and delay.

Letter No. 46-C(II) *dated 27th January* 1937 *from Government of India to Chamber.*

I am directed to invite a reference to your letter No. 2790, dated the 30th October 1936 regarding certain difficulties said to have been experienced by Indian exporters in regard to the United Kingdom Certificates of Origin (Forms Nos. 119 and 120) prescribed under the Ottawa Preference Scheme.

2. In paragraph 4 of your letter under reference it is stated, in particular, that it is impossible for Indian ship-

pers to obtain the names of original producers of raw produce and other articles exported to the United Kingdom. In this connection, I am to say that the requirements of certificate of origin D (Form No. 119) have been relaxed by the Customs Authorities in the United Kingdom in respect of certain specific articles, viz., groundnuts, linseed and other oilseeds, wheat and barley, and they now accept in respect of these articles a statement showing the articles as grown by 'various growers in.....district'. Further, as a reference to Form No. 119 will show, the necessity for mentioning the name of the grower or producer does not arise if the certificate is given by the supplier. It is presumed therefore that the Indian Merchants' Chamber have in mind the cases of articles other than those mentioned above, and in which the certificate cannot be given by the suppliers. If so, I am to request that the Government of India may be furnished with a list of articles in regard to which difficulties are experienced by the Indian shippers in complying with the terms of the Certificate of Origin in question and details of specific instances in which such difficulties have actually occurred.

3. As regards the certificate of origin E (Form No. 120), I am to state that in regard to artware and other products of cottage industries shipped from British India to the United Kingdom, this form has been specially modified as a temporary measure when the manufacturer is incapable of completing the certificate of origin for the purposes of preference and the certificate is given by a supplier. In this connection, I am to invite your attention to the notice published in the Indian Trade Journal, dated the 23rd January 1936.

4. I am to add that the Government of India regret that they are unable to accept the suggestion in the last paragraph of your letter regarding the printing of the forms in question. These forms can be had on payment from His Majesty's Stationery Office direct or through their usual agents and if there is any difficulty in obtaining a

supply from that source, it is of course open to shippers to arrange for their own printing.

Letter No. 1041 *dated* 12*th April* 1937 *from Chamber to the Government of India.*

I am directed to acknowledge receipt of your letter No. 46-C(II)/36 dated 27th January 1937 and in reply to observe as under:—

Even after your letter, merchants have expressed their doubts and difficulties with regard to the distinctive uses of the two Forms Nos. 119 and 120. The list of commodities mentioned in Form No. 119 appears to be only illustrative, the general impression being that Form No. 119 is for raw materials and No. 120 for manufactured goods. My Committee will be much obliged if you will be good enough to make this clear.

Regarding paragraph 2 of your letter, the difficulty about stating the name of the grower or producer has been felt by suppliers in regard to mineral products such as Manganese Ore, Bauxite, Barytes, Soap stone, etc., broken to pieces or ground to powder. Government will, therefore, be pleased to inform my Committee as to which of the two Forms is to be used for the above commodities and if No. 119 is to be used the name of the producer or grower has to be necessarily furnished.

Government in their above reply have not referred to the complaint of my Committee in paragraph 4 of their letter dated 30th October 1936, viz., that while shippers from the U.K. are not required to disclose sources of supplies, shippers from India have to supply these particulars, which, it is contended, adversely affect their interests. The requirements for certificates under the Preference Scheme for both exports to this country and exports from this country should be the same, and the Government of India will be pleased to take up with the Board of Trade

the question of amending the Forms with a view to making them uniform, particularly in regard to the point about supplying the names of growers or producers.

My Committee would also like to be informed if any amendment or addition has subsequently been made to the Statutory Rules and Orders issued in 1933 over and above the amendments referred to in the Indian Trade Journal dated 6th June 1935.

APPENDIX 49

Classification of Transformer Oil

Letter No. 3139 *dated* 17*th December* 1935 *from Chamber to Government of India, Central Board of Revenue.*

I am directed by the Committee of this Chamber to enclose herewith a copy of their letter No. 3001, dated 30th November 1935, on the above subject, and to request that the Government of India will be pleased to consider the suggestion of my Committee contained therein favourably.

Copy letter No. 3001, *dated* 30*th November* 1935, *from the Secretary, Indian Merchants' Chamber, Bombay, to the Director General of Commercial Intelligence & Statistics, India, Calcutta, regarding Classification of Transformer Oil.*

"I am directed by the Committee of this Chamber to address you in regard to the question of classification of Transformer Oil, as under:

You will remember that at the time of the interview my Committee had with you on the 20th instant, one of our members present pointed out that the insulting properties

and composition of the Transformer Oil were such that even if it were separately imported, it could only be used with the apparatus for which it was manufactured. It was, therefore, contended that Transformer Oil should be classified as "Component parts of machinery", under Item 99 and should be assessable at the rate of 10 per cent, instead of the present 25 per cent. My Committee feel that the contention of the member concerned deserves sympathetic consideration, since Transformer Oil is not capable of being used separately without the machinery for which it is manufactured. It is, therefore, hoped that you will be pleased to classify Transformer Oil as 'Component part of machinery' under Item 99, and make it assessable at the rate of 10 per cent."

Letter No. D.Dis.1477 dated 6th March 1936 from the Central Board of Revenue to Chamber.

With reference to your letter No. 3139, dated the 17th of December 1935, I am directed to inform you that the Government of India are unable to accept your proposal that transformer oil should be assessed under item 72 (3) of the Tariff whether it is imported with the apparatus or not.

APPENDIX 50

Import duty on Diamonds

Telegram dated 5th February 1936 from Chamber to Government of India, Finance department.

Committee Indian Merchants' Chamber have seen representation Diamond Merchants' Association, Bombay. Committee feel that present high scale of duties involving extensive and systematic smuggling is harmful to Government revenue and also to honest and bona fide merchants

who have paid full duty on their stocks. Committee favour normally heavy duty on luxury articles but situation here demands either serious reduction duty as in other countries or some other drastic measure to safeguard Government revenue and to protect lawful trade in diamonds against activities of smugglers. Committee trust matter will receive attention at the time of Budget.

APPENDIX 51

Import duty on Teazles

Letter No. 1434 *dated 29th May* 1936 *from Chamber to the Central Board of Revenue.*

The attention of the Committee of this Chamber has been drawn by a member to the present practice of assessing "Teazles" under item No. 87 of the Tariff Schedule to a duty of 25 per cent. I am directed by my Committee to address you in this connection as under:

"Teazles" is one of the articles of millstores, used in the woollen industry for raising fibres and is, therefore, in no way different from millstores. They feel, therefore, that the present classification of this article under item No. 87 assessable to a duty of 25 per cent is not correct. Government are no doubt aware that the woollen industry of the country is passing through critical times and any avoidable burden such as the one under reference further jeopardises its condition. Millstores are at present assessed at 5 to 10 per cent; and "Teazles", which is nothing else but one of the items of millstores, as mentioned above, should also be assessable on the same rates, and not at the present rate of 25 per cent.

My Committee trust that Government will be pleased to consider favourably their request of assessing "Teazles"

on the same rates as Millstores, and thus accord a much-needed relief to the indigenous industry.

APPENDIX 52

Town duty on Tallow imported by the Mills

Letter No. 721 dated 11th March 1936 from Chamber to Raja Bahadur Govindlal Shivlal, representative on the Municipal Corporation.

The Committee, at their meeting held yesterday, considered a letter from Mr. M. M. Amersey regarding the recent imposition of town duty on imported tallow by the Bombay Municipality. A copy of this letter is enclosed herewith. The Committee are of opinion that this matter should be taken up with Municipal authorities with a view to securing exemption from imposition of town duty on imported tallow, which is consumed by the textile industry in Bombay. I am, therefore, directed to request you to kindly do the needful in the matter.

Copy of letter dated 9th March 1936 from Mr. M. M. Amersey to the Chamber.

I am writing this to draw the attention of the Committee to the imposition of Town Duty recently levied by the Bombay Municipal authorities on tallows imported into Bombay. It appears that they are charging town duty on this article under the power that, they say, they have obtained from the Bombay Act No. 13 of 1932. On perusal of this Act it appears that Schedule H (which gives a list of articles on which town duty is leviable) of the Bombay Municipal Act 1888, was amended with a view to bringing ghee substitutes of whatever composition which are not pure ghee, but which resemble pure ghee and are capable of being used as substitutes for pure ghee.

While one can appreciate the desire of the Bombay Municipality to impose town duty on such articles as are capable of being used as ghee substitutes, I should like to draw the attention of the Committee to the fact that this step of the Municipality adversely affects the textile industry which uses tallow for bona fide purposes in the manufacture of piecegoods.

Only 10 days back the Bombay Municipal authorities levied town duty on tallow imported by me for use in my mill. I feel that the matter should be taken up with the Bombay Municipality with a view to securing exemption from town duty on tallow which is imported by the mill industry. In my case I am prepared to prove to the authorities that the tallow imported by me is used only in my mill and there is not the slightest possibility of its passing on to the other hands.

I shall thank you to place this matter before the Committee for their consideration and early action.

Letter dated 14th May 1936 from Raja Bahadur Govindlal Shivlal to Chamber.

With reference to your letter No. 1306 dated the 11th instant, when I received your letter dated the 16th March, I enquired at the Mill-Owners' Association what action they proposed to take in the matter. I received from the Secretary a copy of their Solicitor's opinion and since then they have also sent me a copy of their Counsel's opinion. As both the opinions are marked confidential, I expect the Committee would not desire me to discuss them. I have recently received a letter from the Secretary of the Association in which he says that "A special Sub-Committee of the Association consisting of the Chairman, Sir Hormasji Modi and the undersigned (Secretary) have confronted the Municipal Commissioner with the opinion expressed by our Counsel contesting the legality of the imposition. The Municipal Commissioner has also been furnished with a copy

of the case which was presented to our Counsel for opinion. It is probable that the Municipality will also take Counsel's opinion, but the difficulty has apparently been experienced in regard to the selection of a suitable Counsel owing to the absence from Bombay of the leading advocates on account of the Summer Vacation. If the opinion is in support of the views already expressed by our Counsel, then the Town Duty on the tallow will be withdrawn. If not, the question of the legality of the tax will be settled by means of a friendly suit in the Law Courts".

It will be seen from the above that the Association do not desire to move for obtaining exemption of Town Duty for the Mills. Their contention is that tallow is not liable to Town Duty under the amended schedule as it stands, and if they succeed in establishing their contention, no one will have to pay Town Duty on tallow, be it Mills or any other person.

In my opinion, the Mill-Owners' Association is wise in not claiming exemption from Town Duty, for the Corporation will not favour it nor will Government accept such an amendment of the act. Implications of such exemption would be that the Mills should get exemption from all other Municipal taxes as well. Government have made it plain more than once to the Corporation that if an Industry is to be helped, it is to be helped by the Legislature and not by the local bodies by differentiation in taxation. The question whether tallow resembles ghee and is capable of being used as a substitute for pure ghee is a question of fact. I have compared ghee with tallow. They resemble in appearance though the smell is different. That tallow is an ingredient of ghee substitute was asserted by our Chamber itself.

If in view of these facts the Committee desire me to table a resolution to request Government for amendment of the Act, so as to exempt the Mills from Town Duty, I should do so, but I would like to inform the Committee that there is not the ghost of a chance of its being accepted.

My experience of the Corporation disposes me to think that if this matter is discussed in the Corporation, the Corporation would on the other hand, desire to so amend the Schedule as to specifically include tallow under the entry in Schedule "H". The feeling in the Corporation is strong against allowing ingredients of ghee-substitutes to come in free of Town Duty while subjecting ghee to it.

Letter No. 1424 *dated 27th May* 1937 *from Chamber to Raja Bahadur Govindlal.*

The Committee at their meeting held yesterday considered your letter of the 14th instant regarding the above. In view of the position explained by you in that letter, the Committee feel that consideration of this matter my be postponed for the time being.

APPENDIX 53

Proposed Town Duty on cloth and yarn

Letter No. TD/3976 dated 10th January 1936 *from the Town Duty Officer, Bombay Municipality to Chamber.*

I have the honour to state that the Bombay Municipal Corporation have under their resolution No. 638 of 3-12-'35, decided to consider the question as regards the advisability of amending Schedule H of the City of Bombay Municipal Act so as to include therein foreign cloth and foreign yarn or factory made cloth and factory made yarn as articles liable to the payment of town duties.

2. The term foreign cloth and foreign yarn or factory made cloth and factory made yarn includes cloth and yarn of textile fibres such as (1) Cotton, (2) Hemp, (3) Jute, (4) Flax, (5) Silk, (6) Artificial silk, (7) Wool.

3. As the matter requires to be considered from all points of view I shall be much obliged if you will please favour me with your views in details on the subject.

4. An early reply will be highly appreciated.

Letter No. 245 dated 4th February 1936 from Chamber to the Town Duty Officer.

I am directed to acknowledge receipt of your letter No. TD/3976, dated 10th January 1936, and to send hereby the views of the Committee of this Chamber as regards the advisability of amending Schedule H of the City of Bombay Municipal Act so as to include therein foreign cloth and foreign yarn or factory made cloth and factory made yarn as articles liable to payment of town duties.

My Committee have been all along opposed to the levy of town duties and therefore cannot favour the extension of the principle of town duties now to other articles, besides those which are already on the Schedule. The suggestion to include foreign cloth and yarn or factory made cloth and yarn in the Schedule H, is specially objectionable as it will not only inflict a penalty on foreign cloth and yarn, but also on mill cloth and yarn made in this country and coming from outside stations to this City, without any corresponding advantage being gained from it. Bombay Port has suffered immensely from the diversion of its trade to other Ports, and the suggestion referred to in your letter will have, my Committee apprehend, the effect of further accentuating such a diversion. The importance of Bombay is not only as a big centre of trade and industry, but also as a large entrepot for inland trade, and this position which has been jeopardised already will be jeopardised still more if a town duty was imposed upon the imports of cloth and yarn. It may be contended that people can claim a refund on cloth and yarn which pass through the City. It is well-known, however, how difficult it is to secure refunds, as also to prevent frauds in

connection with refunds of the town duty. The duty again will have to be paid by the consumers of articles which are not exported but which are kept in Bombay for local use. All this inconvenience and addition to the taxation is not conducive to the growth of the trade and commerce of the City and my Committee, therefore, hope that the Municipal Corporation will not accept the suggestion made to them.

APPENDIX 54

Refund of registration fees under the Bombay Motor Vehicles Tax Act, 1935

Letter No. 853 *dated 2nd April* 1935 *from Chamber to the Superintendent, Motor Vehicles Department, Bombay.*

With the coming into operation of the new Act from 1st April 1936, the question of refund of fees already paid under the old rates for the period April to August 1936 arises and in this connection, the accompanying note has been submitted to my Committee. From the figures quoted there, it is obvious that the procedure proposed by the Department of refunding 5/12ths of the total fee paid is not fair. It stands to reason that the refund should be proportionate to the registration period.

My Committee, therefore, urge that this matter may be considered in the light of the above note that orders for refund proportionate to the registration be passed.

Letter No. 2623 *dated 7th April* 1937 *from the Deputy Commissioner of Police to Chamber.*

"With reference to your letter No. 853 dated 2nd April, I write to inform you that no procedure has been adopted by this department in allowing the rebate of a portion of the old registration fee, other than that which is clearly laid

down in the Bombay Motor Vehicles Tax Act, 1935, section 21 of which states:—

> "(1) Any certificate of registration in respect of a motor vehicle used or kept for use in the Presidency in force at the commencement of this Act shall be deemed to have been cancelled unless an application for a fresh certificate shall have been made in the prescribed manner on or before the first day of May 1936. On such application being made, there shall be deducted from the sum payable as the tax a sum equal to one-twelfth of the registration fee paid under the Indian Motor Vehicles Act, 1914, in respect of the said motor vehicle for each remaining complete month of the period for which the former certificate would have been in force.
>
> (2) x x x x x x"

Letter No. 1100 *dated* 18*th April* 1936 *from Chamber to Government of Bombay, Home Department.*

I am directed by the Committee of this Chamber to address Government in regard to the refund of registration fees under the new Motor Tax Act, 1935, as under. In this connection I beg to enclose herewith copies of correspondence on the subject passed between my Committee and the Deputy Commissioner of Police, Motor Vechicles and Taxation, Bombay.

My Committee are of opinion that Section 21 of the Act regarding refund of registration fee appears to be faulty in that it only takes cognisance of vehicles registered in the first quarter of the old registration year. The case of vehicles registered in the 2nd and 3rd quarters appears to have been omitted, probably through oversight. Under the circumstances, my Committee submit that the fair way to calculate the amount of refund should be the same as shown in the note accompanying their letter No. 953, dated 2nd

April 1936, to the Deputy Commissioner of Police. They, therefore, beg to request Government to be pleased to amend the relevant section so as to allow full proportionate refund of registration fees.

Letter No. 6832/3/4890-E dated 11th May 1936 from Government of Bombay to Chamber.

With reference to your letter No. 1100, dated the 18th April 1936, I am directed to state that the procedure followed by the Motor Vehicles Department of the Commissioner of Police, Bombay, in calculating the rebate admissible to the owners of motor vehicles registered prior to 31st March 1936 is in accordance with the provisions of section 21 of the Bombay Motor Vehicles Tax Act, 1935.

APPENDIX 55

Electricity charges in the City

Letter No. 720 dated 11th March 1936 from Chamber to the Bombay Electric Supply Co.

The attention of the Committee of this Chamber has been drawn to the recent reduction in rates announced by your Company sometime back. My Committee feel that the basic rates are still very high and that the reductions effected are nominal in so far as the very large number of consumers are concerned. Bombay is a large commercial and industrial centre, with no small potentiality for considerable expansion in the consumption of electrical energy both for domestic and industrial purposes, provided the policy of fixing the rates is based upon advanced and progressive principles of rating directed towards the encouragement of the use of electric energy. I trust it will be appreciated that in writing to you my Committee are actuated only by the desire to see that there is a

greater consumption of electrical energy, which can be utilised in making Bombay a brighter and more attractive City through increased amennities of life and as a comparatively economical centre for housing new industries. My Committee must also point out that in relieving the burden of the cost of living in this City in times of prolonged trade depression, your Company has failed to make any material contribution and they trust that in the light of views adumbrated herein you will revise the rates to the satisfaction of the public.

Letter No. 4082 dated 17th March 1936 from the B. E. S. T. Co., Ltd. to Chamber.

I am directed by the Chairman of the Board of Directors to acknowledge your letter No. 720 of the 11th March on the subject of rates charged by this Company.

The general policy of this Company in regard to rates was indicated by the Chairman, Sir Purshotamdas Thakurdas, at the Annual Meeting on April 12th, 1934, when he said it was the fixed determination of the Directors to share any prosperity of the Company with the consumers.

In pursuance of that policy the rates charged for electrical supply have been seven times reduced since September, 1933, the last and substantial reduction being published on Thursday, the 12th March, 1936. The aggregate annual reduction in the charges to the consumers under this policy amounting to no less a sum than Rs. 22.87 lakhs.

I am further directed to point out that the statement in your letter that the reductions effected in September, 1935, were nominal in so far as the very large number of consumers are concerned, is not in accordance with the fact. The aggregate reduction then announced amounts to Rs. 5.8 lakhs per annum.

In addition to these very large reductions in the Supply tariff this Company has followed an equally generous policy towards the users of the Transportation Branch. The omnibus services were considerably reduced in 1935, and the fares are substantially below the level charged in other countries for a comparable service. Furthermore it has refrained from charging on the extensions to its Tramway System carried out since 1905 the increased fares approved by the Bombay Municipal Corporation; established 34 half anna stages; and raised the age of children travelling at half anna fares from 10 to 12.

The Chairman desires me to express the appreciation of the assurance in your letter that your Committee are actuated only by the desire to see that there is a greater consumption of electrical energy in Bombay. He is confident that you will also appreciate that the policy of this Company and the policy adumbrated in your letter of March 11th, are identical, and that subject to the discharge of their reponsibilities as trustees for the shareholders of the Company, it is the fixed policy and desire of this Company to reduce charges for electricity and transportation in so far as funds are available for this purpose.

Letter No. 909 *dated 26th March* 1936 *from Chamber to the B. E. S. T. Co., Ltd.*

I am directed by the Committee of this Chamber to acknowledge receipt of your letter No. SR/4082/36 dated the 17th March 1936. While my Committee appreciate the reductions in rates effected by your Company from time to time, they feel that even with all these reductions the small consumer is not benefited. If the consumption of electrical energy is to be substantially stimulated, the small consumer must be benefited. You have referred to the reductions which have been effected since September 1933 and have observed that there have been seven such reductions. My Committee will be obliged if you will be kind enough to let them know the dates on which these

reductions have taken place as also the resulting increase in consumption and the financial effects of each such reduction.

With regard to your recent reduction, my Committee cannot understand why the reduction should be made applicable only from the 1st July 1936, i.e. three months after the announcement. There appears to be no reason why the reductions could not have been made applicable from 1st April 1936. It is stated in the advertisement announcing your latest reduction that "a consumer on either of the above tariffs using less than 32 units in any one period of three months will be charged at the rate of 4½ annas per unit for his actual consumption during that period." My Committee think that this is too high a minimum unit fixed and that this figure should be reduced to 20 units which will mean giving a real relief to the small consumers.

Letter No. 4968 dated 1st April 1936 from the B. E. S. T. Co., Ltd. to Chamber.

We acknowledge with thanks the receipt of your letter, dated the 26th instant, and note the further remarks of your Committee.

We regret it will not be possible for us to separate the effects on consumption of the tariff revisions from the effects due to various other causes.

We also regret that we cannot, at present, meet the wishes of your Committee with regard to the small consumers but, although many of our small consumers are even now supplied at a loss to the Company, the suggestion put forward will have our very sympathetic consideration when further tariff revisions become possible.

Assuring you of BEST attention at all times.

III.—TRADE AND INDUSTRIAL LEGISLATION

APPENDIX 56

Indian Companies Act Amending Bill

(NOTE.—The darft Bill and the covering letter from Government inviting views not printed. Refer Chamber's file R. 38 of 1936).

Letter No. 1542 *dated 20th June* 1936 *from Chamber to Government of Bombay, Finance department.*

I am directed to acknowledge receipt of your letter No. 7164/2, dated 6th May, 1936, enclosing a copy of the Indian Companies' Act Amending Bill. The Committee of this Chamber have gone carefully through the Bill. They would, however, like to point out that it would have been much better if Government had found it possible to give them more time to consider such an important and far-reaching measure. It is natural that my Committee should welcome this Bill, as they have been pressing, for the last several years, for a comprehensive Indian legislation to amend the Companies' Act, 1913. The Companies' Act, 1913, while it may have been a good advance on the old legislation, was still of a halting character in many respects and the failures of several companies after 1911 and the terrible losses, to which the shareholding public was put, gave a very clear indication, if one was needed, of the necessity of overhauling the whole of the Companies' Act. Even where there were not actual failures, the management and the administration of different companies left much to be desired. Whenever however a demand was put forward by this Chamber and other public bodies for the reform of the Companies' Act, 1913, on modern lines, they were met with the reply that the English Companies' Act was also being revised and that the local legislation might better await the British legislation, so that we could get the advantage of suggestions and changes which might be

made in that Act. The British Companies' Act, my Committee admit, was the foundation originally on which the Indian Companies' Act was based, and looking to the pains that were being taken to make the British Companies Act as complete and comprehensive as possible, it was perhaps worth while for India to wait with her legislation before the British Act was passed by Parliament. While that Act was however in its making, there was a fresh crop of failures of companies here and instances of loss due to defects in the Act of 1913 as reflected in the reckless floatation of companies during the boom period which followed the War. The British Companies' Act was passed by Parliament in 1929, and despite pressing demands the Government of India could not turn their attention to the Act till five years later. This period has been a period of anxious waiting for the Indian industries and investing public. The Amending Bill, therefore, cannot be said to be premature by any means, and my Committee trust that when the Bill emerges from the Legislature as a statute, it will effectively safeguard the rights and interests of the shareholding public and generally conduce to better administration of Joint Stock Companies. India has set herself, long since, on the way to industrial regeneration and development, and the progress in the way of industrialisation made upto now has not been of an inconsiderable character.

2. India is now recognised as one of the eight leading industrial countries of the world by the League of Nations and the International Labour Organization. Promotion and development of industrial enterprises during modern times have, however, to proceed upon certain lines. By the very nature of things, these industrial enterprises cannot be generally started by individuals or firms with private resources alone. Enterprises, to be successful, require a large amount of capital and resources, which it is beyond the capacity of individuals to put forward. The principle of Joint Stock Companies, with Limited liability, therefore has been adopted, as in the West, by enterprises, both commercial and industrial, floated in this country. This

principle of Joint Stock working, while it has given great impetus to commercial and industrial enterprises, has also, in some cases, been misused and perverted for selfish ends by company promoters and organisers. Legislation has, therefore, to step in here and see that Joint Stock Companies do not overstep the bounds fixed for them, and that they regulate and systematise their working on correct lines in accordance with the needs of industrial enterprises and in consonance with the interests of the share-holding public as also in consonance with the national requirements of the country as a whole.

3. Associated with this principle of Joint Stock working is the system of managing agency, which is peculiar to this country. While this system has been criticised adversely, with a demand for its total abolition, it has also been favourably commented upon during the last few years to the effect that without its retention industrial development would have been impossible. Both the adverse comments and appreciation have focussed so much of the attention of the public on the system that it almost appears as if the revision of the Companies' Act means a consideration only of this question. While it is true that the managing agency system is an integral part of Joint Stock working here, and has to be considered in any revision of the Companies' Act, my Committee would submit that it is not fair, nor in keeping with any sense of proportion, to attribute any exaggerated importance to this question. This system of managing agency has certainly done a lot of good to the development of industries in the country, and it is an open question how far the development would have proceeded, unless it had been for the system, at least in the initial stage of Joint Stock enterprise. Managing Agents have proved themselves useful with regard to financing the concerns themselves or finding necessary finance, and this is a matter of no small importance in the present banking development of India, when the question of finance would present almost insuperable difficulties. There have been Managing Agents, who have developed with fostering care companies entrusted to them

and have considered themselves as trusteees for the interests of shareholders, which is the correct and perhaps the only interpretation of their position. At the same time, it would not be advisable to overlook the misuse of this trust. The system of Managing Agency has been abused in not a few cases for the aggrandisement of selfish interests by the Managing Agents whose exploitation has ruined hundreds and thousands of families and has set back the clock of progress with regard to Joint Stock enterprise. Indeed, it is no use overlooking the fact that the shocks received from failures and from mal-administration of companies have frightened the shareholding public and have made them naturally shy of going in for Joint Stock enterprise. The only way out of the difficulty is to so shape the Indian Companies' Act Amending Bill as to keep the salient and healthy points of the Managing Agency system, while at the same time taking care that Managing Agents are not able to use their powers to the injury and perhaps the ruin of the interests of the investing public.

4. The Bill proposes to set up a time limit of 20 years for Managing Agents, the period to be applied with retrospective effect. This will put an end to the Agencies, which have got a sort of a permanent lease from their companies. My Committee, while approving of this putting an end to these permanent leases and agreements, have suggested in the detailed Clauses which follow that a period of 30 years should be substituted for the 20 years. After all Managing Agents have got their vested interests and in several cases have put in a large amount of capital and resources and have also invested their ability and intelligence. Twenty years perhaps sometimes may be, in cases of highly developed industries, too small a period in which to make a success of the industries, situated politically as India is. Under the circumstances, a period of 30 years would perhaps be deemed quite satisfactory, both from the points of view of Managing Agents and their shareholders. It also sometimes happens, or it might happen, that people may get themselves appointed as Managing Directors and try to escape thus

from the provisions relating to the Managing Agents. My Committee have, therefore, suggested that the term Managing Agents should include any person, firm or corporation occupying the position of Managing Agents by whatever name they may be called, such as Secretaries and Treasurers, Managing Directors, Managers, etc., whether under a contract of service or not.

5. Controversy has always raged regarding the terms of remuneration of Managing Agents, and my Committee are glad that the Amending Bill has provided that the remuneration of the Managing Agents shall be based on a fixed percentage of the net annual profits of the company, thus eliminating all sorts of agreements, which empower the Managing Agents to get remuneration based even on the out-put or production and/or sales, regardless of the fact whether the company is making any profits or not.

6. Again, there is also the Clause 41, which requires, with regard to minimum working capital, that thirty-three and one-third per cent of the share capital offered to the public for subscription should be subscribed and the sum of at least twenty-five per cent should have been paid to or received in cash by the Company. It is the general belief that it is one of the serious weaknesses in the industrial finance of this country that companies are floated with inadequate capital and particularly without making sufficient provision for working capital. Numerous have been the instances, within the experience of my Committee, that soon after companies are started they are short of capital and have resort to various devices like raising debentures on block account, thus depriving the shareholders, from the outset, of the security created out of their own subscriptions. The requirements of the Clause, if accepted by the Legislature, will have the salutary effect of checking the floatation of companies, where the paid-up capital forms a small proportion of the total monies invested, the bulk of which is raised in the form of twelve-month deposits. This Clause, therefore, by providing for a minimum subscription of 33 and 1/3 per cent of the share capital offered to the

public for subscription, or a sum which will cover the fixed capital expenditure, preliminary expenses and working capital, whichever of the two sums is higher, lays down very sound fundamentals of industrial finance, and must be welcomed by everyone who desires our industries to be started and worked on healthy lines.

These are but illustrations of some of the salutary Clauses in the Bill, which my Committee have welcomed and tried to further strengthen by their suggestions.

7. Before concluding the general comments of my Committee in this connection, they would like to add that it is deeply regrettable that the shareholding and investing public in this country is more or less easy-going and indifferent to its own interests. They hope that placing of this new legislation on the Statute Book would awaken the investing public to its rights and privileges and make it able watch-dog of the working of Joint Stock Companies. Such a co-operation from the investing public is necessary, if the legislation is to serve its aim faithfully for which it was intended.

8. It has always been a great regret of my Committee that Government have not taken any steps to implement the majority and minority reports of the Central Banking Committee. If there was a necessity to amend the Indian Companies' Act in view of the events which have happened during the last two decades, a still greater necessity has been vividly felt for placing on the Statute Book a fully comprehensive legislation with regard to Banking. It is years and years in fact since the business community has been requesting Government to undertake such a legislation and their requests and demands were justified by the numerous failures of banking concerns even so far back as 1913. Government appointed Banking Committees in all the Provinces and a Central Banking Committee, who prepared their reports on the basis of the Provincial reports. It is perhaps one of the most stupendous tasks yet undertaken in this country, and yet practically the efforts of all

those Provincial Committees and the Central Banking Committee have been wasted as no legislation has followed on all those suggestions and recommendations. If Government are really solicitous of promoting the economic betterment of the country, comprehensive legislation based on the recommendations of the Central Banking Committee ought to be undertaken by Government without further delay. With the inauguration of the Reserve Bank, Government have now been better placed in regard to guidance and machinery for a proper and adequate regulation of the banking business, and my Committee cannot understand why Government have been putting off this important legislation for the last so many years. Banking Clauses in the Companies' Act Amending Bill deal only perfunctorily with banking business and do not touch the important issues of the banking business. Thus, for example, the Central Banking Committee, particularly the minority report, have made several important suggestions regarding (1) Licensing of Banks, (2) restrictions on the activities of foreign banks, etc., which are not dealt with in the present Amending Bill. My Committee would, therefore, draw the attention of Government to the utter inadequacy of these provisions and request them to undertake a comprehensive Banking legislation as soon as possible.

9. My Committee would now proceed to deal with the various clauses of the Bill seriatim:

Views and Suggestions of the Committee

Clauses 1 to 6:—The Committee approve of all these clauses.

Clause 7:—Regulations 78 to 82 mentioned in this clause relating to rotation of directors should not apply to special, debenture and ex-officio directors. Regulations 105, 107, 112, 113, 114, 115 and 116 relating to publication of balance-sheets and accounts should be retained. These regulations, however, should not apply to private limited companies.

Additional Regulations 49, 55, 67 and 71 should be included in this clause.

Clauses 8 to 11:—The Committee agree to these clauses.

Clause 12:—Mr. Sen's recommendation No. 2 in regard to Form E of III Schedule (*vide* P. 72 of his report) should be incorporated in this clause.

Clause 13:—This clause should be retained with the following alterations therein:

"In the proposed new section 34 (1) instead of the words 'four weeks' appearing in the middle of the section, the words 'ten days' should be substituted.

Section 34 (2)—the word 'along' be omitted.

Section 34 (3)—instead of the words 'two months' the words 'six weeks' be substituted.

Section 34 (4) and (5) be retained as they are".

Clauses 14 to 23:—These clauses should be retained as they are in the Bill.

Clause 24:—The time for the holding of the Statutory meeting should be extended to six months.

Clause 25:—This clause should be retained as it is in the bill.

Clause 26:—This clause should be retained with the modification that in the proposed new section 79 (1) (*a*) instead of 10 days, a period of 14 days should be provided for notice of general meeting.

Clauses 27, 28 and 29:—The Committee approve of these clauses.

Clause 30:—This should be retained with the proviso that all companies incorporated even prior to the enactment of the new Act, including those incorporated before the Act of 1913, should also conform to the provision regarding the minimum number of Directors and that such companies should get the necessary changes made in their Memorandum and Articles of Association within one year from the enactment of the new Act.

The Committee also suggest that it should be expressly provided in the Act that interested Directors should not be counted in forming the quorum.

Clauses 31 and 32:—These clauses should be retained as they are in the Bill.

Clauses 33: New Sec. 86D (2):—The words 'without adequate security' after the word 'loan' in the second line be added in the proposed new section.

New Sec. 86E:—The words 'or place' after the word 'office' in the second line and the words 'a representative of the managing agency firm' after the word 'banker' in the last line be added in this section.

New Sec. 86F:—This section should be retained with the proviso that it should not apply to debenture directors.

New Sec. 86I (1) (*d*):—The words 'within one month' for the words 'within six months' be substituted in the second line.

New Sec. 86I (1) (*e*):—The words 'or place' after the word 'office' be added in the second line of this section.

Clause 34:—The Committee approve of this clause.

Clause 35: New Sec. 87A:—The Committee suggest that the term 'Managing Agent' should be defined as under:

"Managing Agent' includes any person, firm or corporation occupying the position of Managing Agent

by whatever name called such as Secretaries and Treasurers, Managing Directors, Managers and whether under a contract of service or not".

New Sec. 87A (1) & (2):—The Committee suggest that the term of office of Managing Agents both for the new as well as old companies after the enactment of the new Act should be 30 years instead of 20 years as provided for under this new section.

New Sec. 87B (*c*):—The following should be made clear with regard to this section:

"It is understood that the charge or assignment created by the Managing Agents should not be *ipso facto* void but should be considered as valid, subject however to the fact that the company shall not be bound to recognise the charge or assignment for any claim that the company may have against the Managing Agents whether before or after the date of assignment or charges".

New Sec. 87B (*d*):—The meaning of the word 'moneys' appearing in this section should be made clear as follows:

"The word 'moneys' apppearing in this sub-section should not include compensation or any other charges to be paid to the Managing Agent if the company was taken into liquidation either by the Court or voluntarily when the company's assets and funds might not be sufficient to meet its liabilities in full both vis-a-vis creditors and shareholders".

New Sec. 87B (*e*):—The Committee suggest that the following be substituted in place of this sub-section:

"Any variation of the Managing Agency contract of management which confers any additional benefit on the Managing Agents shall not be valid unless approved by the company by a resolution at the general meeting of the company".

New Sec. 87C (1):—The words 'the statutory or' occurring in the last but one line of this section be omitted and the following proviso be added to the same:

"Provided that such additional remuneration shall not be in any form other than on a percentage basis on net profits".

New Sec. 87C (2):—With regard to this sub-section the Committee suggest that the net profits should be calculated after allowing for the following items:

1. Bounties or subsidies received from Government or other public bodies;

2. Profits by way of premium of shares sold;

3. Profits on sale proceeds of forfeited shares;

4. Profits made on sale of the whole or part of the undertaking of the company.

New Sec. 87C (3):—This sub-section should be amended so as to read as under:

"This section shall not apply to any company whose principal business is insurance".

New Sec. 87D (1) (2) (3):—These should be retained as they are in the bill.

New Sec. 87E (1):—The Committee agree with the principle of this section, but they are afraid that the same is not properly worded. The Committee, therefore, beg to draw the attention of Government to this drafting defect.

New Sec. 87E (2):—This should be retained as it is in the bill.

New Sec. 87F & G:—These should be retained as they are in the Bill.

New Sec. 87H:—This should be deleted.

Clause 36:—This clause should be retained with the following alterations:

"For the period of 14 days provided in the clause the period should be increased to one month".

"In section 91C wherever the word 'contract' occurs, the word 'arrangement' should be added.

Clause 37:—This clause should be retained as it is in the bill.

Clause 38 (*a*) (i) (ii):—This should be retained as it is in the bill.

Clause 38 (*a*) (iii) (ff):—This sub-clause should be amended as follows:

"That the price or prices at which the property has changed hands during the 12 months preceding the issue of the prospectus should be disclosed and that where any such property is a business owned by a public limited company, the profits accruing from such business during each of the three years immediately preceding the issue of the prospectus or during the year of the existence of the business if less than three years, should be disclosed."

Clause 38 (*a*) (iv):—This clause should be retained with the following addition that a copy of such a contract shall be available to the public on payment of a prescribed reasonable fee.

The Committee also suggest that the term 'contract' should be made clear to include underwriting agreements.

Clause 38 (*a*) (vi) (p):—The Committee suggest that sub-section should be enlarged so as to make it obligatory to disclose in the prospectus the nature and extent of the restrictions in regard to sale and transfer of shares.

Clause 38 (*b*) (1A) (i):—The report referred to in this new clause should be in such a manner as to contain the following additional particulars:

1. The report shall differentiate between earnings of trading and income from investments;

2. The report shall deal specifically with any items or profits of a special, abnormal or non-recurring nature; and

3. The report shall deal with the amounts allowed for depreciation of all fixed assets.

Clause 39:—This clause should be retained as it is in the bill.

Clause 40: New Sec. 98A (i):—In the third line of this additional sub-section, the word 'or debentures' be added after the word 'shares'.

Clause 41 (1) (*d*):—This should be retained as it is in the bill.

Clause 41 (2):—The Committee suggest deletion of this sub-clause.

Clauses 42, 43 and 44:—These should be retained as they are in the bill.

Clause 45 (*a*):—This clause should be deleted.

Clause 45 (*b*):—This clause should be retained as it is in the bill.

Clauses 46:—This clause should be retained as it is in the bill.

Clause 47 (3):—The Committee recommend that in line two of this new sub-section, after the word 'any' the words 'mortgage or' be added.

Clauses 48 to 53:—These clauses should be retained as they appear in the bill.

Clause 54:—The maximum period of 18 months provided under this clause should be reduced to 15 months.

Clauses 55 to 59:—These clauses should be retained as they are in the bill.

Clause 60: New Sec. 137 (4):—The section should be so amended as to provide that the company which supplies information or explanations to the Registrar in pursuance of the Section should furnish the same to shareholders provided that the same is in respect of any document which under the Act the company has to send to its shareholders.

Clause 61:—This clause should be retained as it is.

Clause 62:—The Committee suggest the addition of another proviso to Section 141 to the effect that provision should be made for the refund of the amount of security deposited under section 137 on lines of similar provision in the English Companies' Act.

The Committee also suggest that the new sub-section (4) of section 141 should be amplified so as to lay down that the copy of the report referred to under the section shall be open for inspection by the public.

Clause 63:—The Committee suggest that it should be made clear that under sub-section (1) of section 145 the auditor had a right of access to all properties of the company also.

The Committee also suggest that the following sub-section be substituted for the existing sub-section (2) of section 145:

"It shall be the duty of auditors to examine books and accounts and vouchers of the company necessary for

the performance of their duties and to bring to the notice of shareholders any matters that they consider should be brought to their notice. The auditors shall make a report to the members of the company on the accounts examined by them and every balance-sheet and profit and loss account laid before the company in general meeting during their tenure of office, and the report shall state".

For clauses (*a*), (*c*), and (*d*) of sub-section (2) of section 145 the following clauses be substituted:

(*a*) Whether they have examined the balance-sheet and profit and loss account with the books and accounts and vouchers necessary for the performance of their duties;

(*b*) Whether in their opinion the balance-sheet and the profit and loss account referred to in the report are drawn up in conformity with the last;

(*c*) Whether such balance-sheet and profit and loss account exhibit a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them and as shown by the books of the company".

New Sub-sec. 4 of Section 145:—The Committee suggest that the new sub-section (4) of section 145 be retained as it is in the bill.

Clauses 64, 65 and 66:—These should be retained as they are in the bill.

Clause 67:—A proviso should be added to the new section 154 (1) to the effect that in the event of the company issuing a prospectus as envisaged in this sub-section, the conditions of sub-section (4) of section 93 of the existing Act should not apply to such prospectus.

Clause 68: New Sec. 163(2):—In this new sub-section (2) after the word 'agent' the words 'or legal adviser' be added.

Clause 69: New Sec. 166:—The Committee suggest that in the proposed sub-clause (*aa*) (*ii*) the words 'on the ground that the financial condition of the company as disclosed in the balance-sheet or' should be deleted.

Clauses 70 to 75:—These clauses should be retained as they are.

Clause 76:—This clause should be retained with the following amendment:

"In the proposed new section 177B (1) the period for submitting the report by the official liquidator be reduced from six to four months, with power to the official liquidator to apply to the Court for extension if necessary";

and

in the proposed new section 177B(1) (*a*) (*iii*) after the words 'if any' the following words be added, viz., 'distinguishing debts due from directors and officers of the company'.

Clause 77:—This clause should be retained as it is in the bill.

Clause 78:—This clause should be retained with the following amendment:

In the proposed new section 178A (4) after the word 'general' in line 5, the words 'or special' be added.

In the proposed new section 178A (5) the following words be added: 'and reports as may be permitted by the court'.

In the proposed new section 178A (12) the following words be added: 'for purposes of filling up vacancies'.

Clauses 79, 80 and 81:—These clauses should be retained as they are in the bill.

Clause 82: New Sec. 207 (1) & (2):—These sections should be retained as in the bill.

New Sec. 208:—This should be retained as in the bill.

New Sec. 208 (A) (1) & (2):—The Committee approve of these new sections.

New Sec. 208 (B) and New Sec. 208 (C):—These should be retained as in the bill.

New Sec. 208 (D) (i):—The Committee presume that the intention of this new section is that there should be a meeting within 12 months. The Committe suggest that the statement and particulars of the liquidators referred to in this sub-section should be available for inspection 7 days before the meeting.

New Sec. 208 (D) (2):—It is to be retained as in the bill.

New Sec. 208 (E):—The Committee approve of this section.

New Sec. 209:—This should be retained as in the bill.

New Sec. 209A (1):—The Committee suggest that where addresses of such creditors are not available, sufficient notice may be deemed to have been given by public advertisement.

New Sec. 209A (2):—The notice of the meeting of the creditors referred to in this sub-section should be advertised at least in two local papers.

New Sec. 209B:—The Committee suggest deletion of this sub-section.

New Sec. 209C:—The Committee suggest that all the provisions of section 178A should apply to the Committee of Inspection for voluntary winding up also.

New Sec. 209 (*d*) to 218:—These new sections to be retained as they are in the bill.

Clauses 83 to 93:—These clauses should be retained as they are in the bill.

Clause 94:—The Committee suggest that along with the balance-sheet such company should also be obliged to submit a profit and loss account.

Clause 95:—The Committee recommend that all the provisions laid down for the purpose of prospectus of Indian companies should also apply to the prospectus issued by such foreign companies. They also suggest the addition of a penalty clause similar to the penalty clause in respect of Indian prospectus.

The Committee further recommend that it should be unlawful for any person to go from house to house offering shares and debentures of companies registered outside British India, i.e., hawking of shares of foreign companies should be made illegal. Section 356 of the English Act prohibits such hawking of shares either of foreign or English companies. Section 82 of the Canadian Companies Act of 1934 prohibits such hawking and section 343 of New Zealand Companies Act of 1933, contains a similar provision. The Committee feel that hawking of shares and debentures of foreign companies at least should be made illegal in India.

In the proviso to new section 277B (3) reference to section 93 should, in the opinion of the Committee, read section 93 (*n*) as this seems to be a drafting error.

Clause 96: New Sec. 277E (A):—The Committee suggest that banking companies should be empowered to own or build buildings for their own use.

The following words at the end of sub-section 15 of new section 277E(A) should be added:

"Incidentally carrying on business for the beneficial realisation of the security; and".

New Sec. 277F (1):—The Committee suggest a proviso to this new section to the effect that no trading company registered under the Indian Companies Act shall be entitled to do banking business unless it has, as part of its name, the word 'bank', 'banker' or 'bankers' and conforms to all the provisions of section 277E (A).

New Sec. 277F (2):—Banking companies registered outside British India but doing business in British India should be brought within the purview of the limitations referred to in this new section.

New Sec. 277G:—To be retained as it is in the bill.

New Sec. 277H:—The Committee suggest that mere allotment of shares to the value of Rs. 50,000 is not sufficient. A banking company must have received Rs. 50,000 in cash before it is entitled to commence business.

My Committee recommend an additional provision also to the effect that no Banking Company, which is not placed on the Schedule of the Reserve Bank, shall take deposits more than ten times its paid-up capital.

New Sec. 277I (1):—This should be retained as it is in the bill.

New Sec. 277I (2):—The Committee suggest that instead of the provision for transferring 2½% of the paid-up capital to the reserve fund, a provision to the effect that 10% of the profit of the company shall be so transferred until the reserve fund is equal to the paid-up capital should be made.

New Sec. 277I (3):—This should be retained as in the bill.

New Sec. 277J (1):—With regard to this new section the Committee feel that in respect of banking companies working in the mofussil, the provision of this sub-section may present difficulties in working as the office of the Registrar is situated in the Presidency Towns only. The Committee therefore suggest that this difficulty should be examined.

New Sec. 277J (2) & (3):—These should be retained as in the bill.

New Sec. 277K (1), (2) & (3):—The Committee approve of these sections.

Clause 97: New Sec. 282A:—This should be retained as in the bill.

New Sec. 282B (1):—The Committee recommend that deposits referred to in this sub-section should not be confined to the Imperial Bank only, but that all scheduled banks should be entitled to receive the same.

New Sec. 282B (2), (3) & (4):—The Committee approve of these sections.

Clause 98:—This should be retained with the following amendment:

> "In sub-clause (C) for the words 'for the first time' in line two, the words 'the first time' be substituted, this being a consequential change; and for the words 'not being directors appointed otherwise than by members at the general meeting' the words 'being directors subject to election by members in general meeting' be substituted.

Clause 99:—This clause should be retained with such consequential changes in regard to the disclosure of particulars in prospectus as recommended by the Committee elsewhere.

Clause 100 (1) (iii):—Under the heading Loans—'a' secured after item (iii) the following shall be entered as item (iv) for liabilities to subsidiary companies and the existing item (iv) shall be re-numbered item (v). The effect of the above change is that secured liabilities to subsidiary companies should be shown separately in the accounts.

Clause 100 (2) (iii) (ii):—The Committee suggest that with regard to such loans including temporary advances, the form should contain information as to whether such advances were in the opinion of directors good, bad or doubtful.

Clause 100 (2) (iv) (iv):—In Form F in the third schedule after the words 'stock in trade' the words 'whichever is lower' shall be added.

APPENDIX 57

Bill to amend the Indian Motor Vehicles Act, 1914

Letter No. 2270 dated 4th September 1936 from Chamber to Government of India, Department of Industries and Labour.

I beg to confirm hereby the telegram the Committee of Chamber sent to you yesterday, as under:—

> "Committee Indian Merchants' Chamber beg to strongly protest against the Bill to amend the Indian Motor Vehicles Act, 1914. Such a Bill calculated to harm small industries and agriculture. There are better and more scientific ways of getting revenues for Railways if they are losing. The Bill is condemned by business, industries and agriculture. Committee opposed to hurried passing of the Bill when it raises very important issues requiring consideration in detail—Inchambu",

2. My Committee have gone carefully through the Bill to amend the Indian Motor Vehicles Act, 1914, published in the Gazette of India, dated 22nd August 1936. They are very much surprised that a Bill of such great importance and with so many potential repercussions on the economic life of the country should not have been circulated to the commercial community for their opinion. If that was not possible, at least an opinion on general lines should have been invited as is usually done in such cases. It is true that the Railways have not been recently getting that revenue, which was expected of them, but it is wrong to suppose that this is entirely due to the competition of motor traffic. My Committee admit that there is motor traffic competition, but they consider that sufficient figures and facts have not been adduced to show that this competition alone is responsible for the serious drop in the revenues of the Railways. Not only that, but motor traffic on the roads has led to improvement of the roads, to development of the country side not yet tapped by the Railways, and to general beneficial advancement of industries and agriculture. In fact, it has always been a great lacuna of the railway system in this country that it has not been able to render that service to the developing and tapping of agricultural districts as should have been done by any railway system working for the development of the country as a whole.

3. Unfortunately, the principal objective of the railway system in the country has always been more of a military than of a civil character, and the different trunk lines are constructed and organised on this basis. It is no wonder, therefore, that the country lying away from the railway lines has practically remained unlooked for. It was only the advent of cheap and democratic motor buses and lorries which opened up the country and conferred immense boons upon agriculture and small industries by linking the agricultural districts with the nearby towns and cities. Several horticultural products like vegetables, etc., were practically thrown away on account of the absence of any facilities for taking them to consumers in towns and cities where they could fetch the normal market price. The motor buses and

lorries have now made it possible to get all this stuff to towns and cities, specially on days of weekly fairs, etc., benefiting thereby the agricultural districts to a large extent.

4. The discourteous and arrogant attitude of the railway staff, specially to the poor people has also resulted in these people patronising motor traffic which takes them from their homes and drops them at the exact place of their destination, without their being subjected to all the humiliating treatment they have occasionally to put up with at railway stations. My Committee may point out that the railways' best customers are the poor people who constitute the bulk of the third-class passengers and the Railway Administration has so far been most unbusiness-like in scaring away rather than attracting these patrons.

5. My Committee have off and on pointed to the Railway Authorities the very short-sighted policy of increasing the railway fares and rates to improve the revenues, as such an increase instead of augmenting the revenues results in decreasing the same. Recently there was announced a list of articles, about 200 of them, on which it was proposed to increase the railway rates by 30 to 40 per cent. In comparison with all this, the motor buses and lorries are found to be very cheap by the public at large.

6. In arguing the case against the road traffic there is a danger of losing sight of the following factors, viz.:—

(1) the Central Government is receiving about Rs. 6 crores by way of petroleum tax, customs duty on imports of motor vehicles, tyres and accessories, and income-tax from the motor transport industry;

(2) the Provincial Governments are receiving about Rs. 4 crores by way of provincial motor tax;

(3) the Railways themselves are receiving about Rs. one

crore by way of freight from the motor transport industry;

and

(4) the motor transport has also, in some cases, not competed adversely against the railways, but co-ordinated with them by bringing to them traffic, which they would otherwise never have got.

7. Speaking at the last Quarterly General Meeting of the Chamber, the President of the Chamber, remarked:

> "His Excellency the Viceroy is taking a very keen and genuine interest in the development of agriculture. These efforts of his for raising submerged India deserve commendation and support of all. May I, however, at the same time, point out that the development of agriculture will proceed apace only if, side by side, there is the development of industries ? India does not, surely, want to go back to the condition of being purely an agricultural country, depending for all her requirements in manufactured goods on foreign countries. His Excellency will earn the gratitude of all if he devotes some of his attention also to the development of industries, without which India will not be the proverbial "bright jewel" in the Crown of the Empire".

It is surely a paradox that while His Excellency the Viceroy has been putting forth efforts to improve the lot of the agriculturists, the Government of India should now put forward this Bill which will have very adverse and injurious repercussions on these very agriculturists themselves.

8. My Committee, having expressed these views against the general scope and purpose of the Bill, may now be allowed to criticise the different provisions of the Bill in detail.

Clause 2 (*b*): My Committee object to private-owned vehicles being classified as transport motor vehicles.

Clause 3, New Section 10A: The constitution and composition of the Transport Authority should be clearly defined, viz., as to what interests shall be and what interests shall not be represented on the Transport Authorities. Care has to be taken to see that these Transport Authorities are not dominated by Railway interests and that the latter have no say in the matter of granting permits.

New Section 10B (*c*) (i) : The Transport Authorities should be authorised to fix only the maximum rates for the carriage of goods or passengers, as, if they are allowed to fix even minimum rates, these may be fixed so as to make it difficult for the motor traffic to continue at all.

New Section 10B (*c*) (ii) & (iii) : My Committee appreciate that there should be some time-table for the conduct and guidance of motor traffic. The owners of motor services should prepare such time-tables as is convenient and suitable for particular routes and for particular sorts of traffic which they may be catering to on those routes. If the Transport Authority is to be set up, these time-tables will have to be approved by them, but my Committee would like to point out that the Transport Authority should not interfere too much with these time-table arrangements and should, whenever they want to suggest changes, do it in co-operation and collaboration with the owners of motor vehicles.

Clause 4 (*c*) (ff) : With regard to this also my Committee would suggest that the Transport Authority should depend more or less upon the suggestions of the owners of motor vehicles. After all it is these people who are running the service, who know best where their passengers would like to get down or get in the motor vehicles. Generally, particular stations may be fixed up in Municipal areas, while with the regard to the countryside stations may well be left to be fixed by the owners, though the Transport Authority should be apprised of the same.

Clause 4 (*f*) (hh) : It is necessary that Government should give an assurance that no discrimination would be

applied against any particular company or companies from underwriting business of this description.

9. Under these circumstances, my Committee are strongly and emphatically opposed to the Bill under reference, and request the Government of India to be pleased to withdraw it in public interests.

Letter No. 8324/3-E dated 21st October 1936 from Government of Bombay, Home Department, to Chamber.

I am directed to forward herewith a copy of a Bill further to amend the Indian Motor Vehicles Act, 1914, (Bill No. 31 of 1936—not printed here) together with copies of the Statement of Objects and Reasons and of the extract from the Legislative Assembly Debates thereon, and to request you to favour Government with the opinion of your Chamber on the Bill before the 1st December 1936.

2. The Bill, with the Statement of Objects and Reasons, is being published in the Bombay Government Gazette.

Letter No. 3314 dated 22nd December 1936 from Chamber to Government of India.

I am directed by the Committee of this Chamber to acknowledge receipt of your letter No. 8324/3-E, dated the 21st October, 1936, and to submit their views on the Bill further to amend the Indian Motor Vehicles Act, 1914, as under:

My Committee beg to reiterate their main objections communicated to the Government of India in September last when the Bill was first introduced in the Legislative Assembly a copy of which is enclosed herewith for ready reference (*vide* Pages 1 to 4). They have, however, reconsidered some of the clauses of the Bill and beg to offer their revised observations thereon as follows:

Clause 2 (*b*): The Committee are of opinion that private-owned vehicles should not be classified as transport motor vehicles. This should be made clear in the clause.

Clause 3, New Section 10A: The constitution and composition of the Transport Authority should be clearly defined and my Committee suggest that such a Transport Authority should be thoroughly representative of the various interests concerned such as Chambers of Commerce, Transport Associations and Motor manufacturers, etc.

New Section 10B (*c*) (i): The Transport Authorities should be authorised to fix only the maximum rates for the carriage of goods or passengers for, if they are allowed to fix even minimum rates, these may be fixed so as to make it difficult for the motor traffic to continue at all.

New Section 10B (*c*) (ii) & (iii): While my Committee appreciate that there should be some time-table for the conduct and guidance of motor traffic, they suggest that undue and needless interference with the framing of such time-tables should, as far as possible, be avoided by the Transport Authorities.

Clause 4 (*f*) **(hh):** It is necessary that Government should give an assurance that no discrimination would be applied against any particular company or companies from underwriting business of this description.

APPENDIX 58

Indian Tea Cess Act—Amendment of

Letter No. 476 (I.E.R.) dated 27th January 1936 from the Government of India, Commerce Department, to Chamber.

I am directed to forward, for information, copy of a letter from the Indian Tea Association No. T. C. 1, dated the 6th January 1936, and its enclosures (Note: not printed—

Refer File R 89 of 1936), from which it will be seen that the Association have made certain proposals for amendments of the Indian Tea Cess Act. Before arriving at a decision on the question of giving legislative effect to these proposals, the Government of India will be glad to know whether your Chamber or Association have any observations to offer on them and in particular on the following:—

(1) Alteration in the maximum rate of cess leviable from annas -/12/- to Re. 1/8/- per 100 lbs. of tea exported; and

(2) Change in the constitution of the Committee (Bureau) so as to raise the number of members from 20 to 25 and to provide for greater representtation thereon of the Indian tea interests.

2. As the Indian Tea Association are particularly anxious that legislation be undertaken during the forthcoming session of the legislature in the event of their proposals meeting with general acceptance I am to request that the reply of your Chamber/Association may be communicated at a very early date so as to reach this Department not later than the 15th February 1936.

Letter No. 273 dated 7th February 1936 from Chamber to Government of India.

I am directed to acknowledge receipt of your letter dated 27th January 1936, No. 476(1)Tr.(I.E.R.) with its accompaniments.

My Committee received a communication from Government last year regarding the proposal to increase the cess from annas eight to annas twelve per 100 lbs. on the export of tea. At that time they opposed the proposal which, in their opinion, was calculated to harm the interests of local consumers. The suggestion is now brought forward to increase the cess still more, that is, from annas twelve

to Re. 1/8 per 100 lbs. My Committee find that the Tea trade both European and Indian is in favour of this new proposal and that a scheme is being formulated under which Ceylon, India and Netherlands East Indies will combine together with the object of co-ordinating the efforts and funds which the three countries have decided to devote to world propaganda for increasing the consumption of tea. The constitution of the Tea Cess Committee is also to be changed and a larger representation of Indian interests and views is provided for. While, under these circumstances, my Committee will have no objection to agreeing with the new proposals for increasing the cess and for changes in the constitution of the Committee, they should like to be assured that expenditure by the Tea Cess Committee is incurred after due and proper consideration and that Indians are employed in higher capacities in the adminstration of the Committee. Unless there is this assurance, there is an apprehension that the expenditure may sometimes be extravagant and that Indians may find very little employment in higher capacities or may be excluded altogether.

APPENDIX 59

Insurance of Light Motor Vehicles against Third Party Risks

Notification No. 6703 dated 23rd December 1935, Home Department, Government of Bombay.

In exercise of the power conferred by Section 11 of the Indian Motor Vehicles Act, 1914 (VIII of 1914), the Governor in Council is pleased to amend the Bombay Motor Vehicles Rules, 1915, published in Government Notification, Judicial Department, No. 8216, dated the 10th December 1915, as follows, namely:—

After rule 13 of the said rules the following new rule shall be inserted, namely:—

"13A. (*i*) No heavy motor vehicle shall be registered unless the owner of such vehicle—

(*a*) has taken out an insurance policy to cover to the extent of a sum of Rs. 15,000 third party risks in connection with the use of such vehicle for the duration of the registration certificate, and

(*b*) has produced a receipt for the payment of the premium due in respect of such policy from an insurance company approved by the registering authority.

2. Government may, by general or special order, exempt from the operation of sub-rule (1) any heavy motor vehicle or any class of motor vehicles.

Explanation.—For the purposes of this rule, an insurance policy shall be held to cover third party risk, if such policy contains covenant whereby the insurance company agrees to indemnify the person insured against all sums which the insured becomes legally liable to pay as compensation in respect of—

(*a*) bodily injury including loss of life to any person other than the person insured or

(*b*) damage to property other than property belonging to or held in trust by the person insured or being conveyed in the said vehicle,

if such injury or damage is caused by, through or in connection with the said vehicle".

Letter No. 1053 *dated* 15*th April* 1936 *from Chamber to Government of Bombay, Home Department.*

The attention of my Committee has been drawn to the draft notification above referred to, making it obligatory for heavy motor vehicles to be covered by insurance against third party risks.

In this connection, they have seen a copy of the representation submitted to Government by the Safety First Association of India, Bombay, urging the extension of the provision for such compulsory insurance so as to include all kinds of motor vehicles.

My Committee are in general agreement with the proposal of the Association, viz., that such cover by insurance against third party risks should extend to all motor vehicles and that it should not be confined, as proposed, to heavy motor vehicles. The risk to third parties by accidents from the smaller vehicles is equally great and it is necessary that such risks should also be covered. My Committee, therefore, urge that Government should include the small vehicles also within the scope of the provision for compulsory insurance against third party risks.

At the same time, my Committee would submit that the tariff fixed by the Insurance Companies for such third party risks should be examined by Government and steps taken to see that such a piece of safety regulation does not entail an unnecessary heavy burden on the owners of motor vehicles. When Government, by legislation, make such insurance compulsory, it is the duty of Government to see that the rates fixed for the same are reasonable and that the legal obligation to insure is not taken advantage of by the Insurance Companies by levying onerous terms.

My Committee also wish to recommend that such insurance should be only with insurance companies registered in India. It is but fair that the business resulting from such state regulations should go to Insurance enterprises registered in India.

APPENDIX 60

The Bombay Cotton Contracts Act Amending Bill

NOTE.—The correspondence is not printed. The papers can be referred to in Chamber's file R. 39 of 1936.

APPENDIX 61

Amendments to Sections 30 and 31 of the Bombay City Municipal Act

Letter No. S.108/10215-A dated 22nd July 1936 from Government of Bombay, General Department, to Chamber.

I am directed by the Government of Bombay (Transferred Departments) to forward herewith copies of a letter from the Mayor of Bombay, No. 3067, dated the 16th July 1936, and accompaniments, and to request that you will be so good as to favour Government with the opinion of your Chamber on the draft amendments proposed by the Corporation to the City of Bombay Municipal Act, 1888.

Copy letter No. 3067, dated 16/17th July 1936, from the Mayor of Bombay, to the Government of Bombay, General Department.

"I have the honour, by desire of the Municipal Corporation of Bombay, to address Government as follows in the matter of amending sections 15, 30 (1) and 31 (1) of the Municipal Act with a view to revising the procedure laid down for the election of councillors by the Fellows of the Bombay University Senate and by a Chamber or Association mentioned in sub-section (1) of section 5 of the Act.

In a letter to the Corporation No. El-2174, dated the 27th May 1936 (copy attached), the Municipal Commissioner stated that the authorities of the Bombay University have brought to his notice that the procedure laid down under section 30 (1) of the Municipal Act for the election of a councillor by the Fellows is anomalous and defective inasmuch as the election necessitates a special meeting of the whole Senate while under section 15 of the Act only those Fellows who are residents of the City on the day of the meeting have the right to vote at the election. It is therefore suggested by them that the procedure for

holding the election should be left to be determined by the Senate and further that in lieu of the vague provision about residence some minimum residential qualification may also be prescribed.

The Municipal Commissioner agrees that the Act should be amended on the lines indicated in regard to the election of representatives to the Corporation by the University and also by the two Chambers of Commerce and the Millowners' Association. He has accordingly submitted for the approval of the Corporation draft amendments to sections 15, 30 (1) and 31 (1) of the Act which govern the procedure etc., of elections of councillors by these constituencies together with the Statement of Objects and Reasons thereof and has requested that Government might be moved to amend the Municipal Act accordingly.

The draft amendments and the Statement of Objects and Reasons have been carefully scrutinized by the Law, Revenue and General Purposes Committee of the Corporation and on their recommendation the Corporation have approved of them. I am now desired to request Government that they will be pleased to undertake legislation for the amendment of the Municipal Act accordingly, simultaneously with the amendments suggested in my predecessor's letter to Government, No. 2749, dated the 23rd July 1935".

Copy of letter from the Municipal Commissioner for the City of Bombay, No. El-2174, dated the 27th May 1936.

I have the honour to state that Section 30 (1) of the Municipal Act provides that an election of a councillor by Fellows shall be made subject to the provisions of Section 15, in such manner as shall from time to time be determined, at a meeting of the Senate of the University of Bombay convened in accordance with the rules at the time in force in this behalf; provided that no vote shall be received from any person who is not on the day of the meeting a Fellow and resident in the City. The Registrar of the University

at the instance of the Senate has brought to my notice that the procedure prescribed in the section is anomalous and defective, in that it necessitates a special meeting of the whole Senate although only those members who are residents of the City on the day of the meeting have the right to vote. He points out that in actual practice no such meeting is called and the election is held according to the Statutes framed by the Senate. He therefore suggests that the procedure for holding the election should be left to be determined by the Senate in accordance with the statutes. It is also urged that the right of voting at such election should be restricted to those Fellows who have been residents of the City for at least six months immediately preceding the date of the election, as the present provisions in this behalf are vague and do not stipulate the minimum residential qualification as in the case of a voter at ward election.

2. There is considerable force in what the University authorities suggest, and I have accordingly had draft amendments to Section 30 (1), and consequently to Section 15, of the Municipal Act prepared and submit them herewith. As Section 31 (1) of the Municipal Act which governs the procedure of elections by the Chamber of Commerce, the Indian Merchants' Chamber and the Millowners' Association is parallel to Section 39 (1), an amendment of this section also has been proposed on the same lines. I now request that the draft amendments be approved and Government be approached for necessary legislation.

3. I may add that amendments to the Bombay University Act, 1928, and the City of Bombay Municipal Act, 1888, with regard to a member of the Corporation elected as a Fellow of the University and *vice versa* continuing in that position only so long as they continue to be members of the present body (*vide* Corporation Resolution No. 192 of 2 th June 1935) are now before Government, and it is therefore desirable that the accompanying amendments should reach Government in time to enable them to undertake legislation simultaneously."

Draft Amendments to Sections 15, 30 (1) and 31 (1) of the Municipal Act

(1) In section 15, of the Municipal Act, for the words "he resides in the City" substitute the following:—

"he has been a resident in the City for at least six months preceding the date of the election".

(2) In section 30 (1) omit the words "at a meeting of" and substitute the word "by". Delete the word "convened" in the fifth line. Omit the word "rules" and substitute the word "statutes". Omit the words "vote shall be received from any person who is not on the day of the meeting a fellow and resident in the City" and substitute the following:—

"fellow who has not been a resident in the City for six months preceding the date of the election, shall be entitled to vote at such election".

(3) In section 31 (1) omit the words "at a meeting of" and substitute the word "by". Delete the word "convened".

Statement of Objects and Reasons

Section 30 (1) of the City of Bombay Municipal Act, 1888, provides that an election of a Councillor by fellows shall be made, subject to the provisions of section 15, in such manner as shall from time to time be determined at a meeting of Senate of the University of Bombay convened in accordance with the rules at the time in force in that behalf; provided that no vote shall be received from any person who is not on the day of the meeting a fellow and resident in the City. It is urged on behalf of the University of Bombay that it is not feasible under the University Act and statutes to hold a meeting of the Senate consisting

only of the members resident in the City and entitled to vote at the election. It is therefore suggested that the convening of a meeting of the Senate for the purpose be dispensed with and that the election be held in a manner to be determined by the Senate in accordance with the statutes in force. It is also urged that the right of voting at such elections should be restricted to those fellows only who are resident in Bombay for at least six months preceding the date of election as a similar qualification exists in the case of voters at ward elections. The proposed amendment of section 30 (1) is therefore framed to give effect to these suggestions. A corresponding residential qualification is also called for in the case of candidates standing for the fellows election, and with that view amendment to section 15 is proposed. It is also proposed to amend on the same lines section 31 (1) of the Municipal Act which provides for election of a Councillor by a Chamber or Association mentioned in sub-section 1 of section 5 of the Municipal Act.

Letter No. 2103 *dated* 20*th August* 1936 *from Chamber to Government of Bombay.*

With reference to your letter No. S.108/10215-A dated the 22nd July 1936, I am directed by the Committee of this Chamber to send to you hereby their views as under.

The effect of the proposed amendments to the City Municipal Act, 1888, so far as this Chamber is concerned, would be that candidates would have to be residents in the City of Bombay prior to the election for six months. While my Committee have no objection to a residential qualification being laid down for candidates, they are of opinion that candidates who have their places of business, or profession or occupation within the Municipal limits of Bombay should also be deemed to satisfy this qualification. The suburbs of the City of Bombay are at present almost indentical and it would be extremely unfair to rule that members who are residing in the suburbs, but who have

their places of business and occupation in the City of Bombay should be debarred from standing as candidates for the Municipal election from this Chamber. So far as the information of my Committee goes, such a residential qualification is at present not laid down even for Municipal ward elections, nor for elections to the Bombay Legislative Assembly under the new Rules. My Committee, therefore, hope that the change suggested by them will be incorporated in the new amendment.

As regards voters, my Committee are strongly of opinion that no residential qualification should be laid down for them. My Committee are enclosing herewith a copy of their Rules for election of a representative to the Municipal Corporaton, from which it will be seen that the election is held by ballot in the office of the Chamber.

APPENDIX 62

Amendment to Section 17 of the Bombay City Municipal Act

Letter No. 5355-*II-E* 1*st September* 1936 *from Government of Bombay, Educational Department, to Chamber.*

I am directed by the Government of Bombay (Transferred Departments) to fordward herewith a copy of a letter No. 2519/167, dated the 25th August 1936, from the Secretary, Bombay Millowners' Association and to request that you will be so good as to let Government know whether your Chamber agrees to an amendment of section 17 of the City of Bombay Municipal Act, 1888, as proposed by the Millowners' Association.

Letter No. 2519/167 *dated 25th August* 1936 *from the Bombay Millowners Association to Government of Bombay.*

The attention of my Committee has been drawn to a Bill to amend the City of Bombay Municipal Act, 1888,

and the Bombay University Act, 1928, published on page 138 of Part V of the Bombay Government Gazette dated the 4th August 1936. Briefly stated, the Bill seeks to lay down:

(*a*) the Senate's representative on the Municipal Corporation shall cease to hold his office as such if he ceases to be a member of the Senate (clause 2).

(*b*) the elected representatives on the Senate of the organizations mentioned in Section 13 of the Bombay University Act shall automatically vacate their seats in the Senate on their ceasing to be members of the organizations which returned them to the Senate (clause 3a).

While my Committee have nothing to say in regard to the principle underlying these amendments, they consider that this opportunity might also be utilized in introducing a further amendment to Section 17 of the City of Bombay Municipal Act to the effect that a Councillor elected by the Bombay Chamber of Commerce, Indian Merchants Chamber or the Millowners' Association shall cease to hold his office as such on his ceasing to be a member of the organization which was responsible for his election.

Letter No. 2322 dated 9th September 1936 from Chamber to Government of Bombay.

I am directed to acknowledge receipt of your letter No. 5355-II-E, dated 1st September 1936, together with its enclosure, and to say that the Committee of this Chamber have no objection to the proposed amendment of Section 17 of the City of Bombay Municipal Act, 1888, as proposed by the Millowners' Association.

APPENDIX 63

Proposals to amend the Law relating to Insolvency in British India

Letter No. 7988/3-B dated 17th July 1936 from Government of Bombay, Home Department, to Chamber.

I am directed to forward herewith a copy of a letter from the Government of India in the Home Department No. F.134/36-Judical, dated the 2nd July 1936 and of its accompaniments, on the subject noted above, and to request that you will be so good as to favour Government with the views of the Indian Merchants' Chamber, Bombay, in the matter.

Letter No. F.134/36 dated 2nd July 1936 from Government of India, Home Department, to Provincial Governments.

I am directed to say that the Government of India have under consideration the following proposals to amend the law of Insolvency in British India and, before coming to a decision on them, would be glad to be furnished with the views of the local Government [together with those of the High Court, (and) of such (other) bodies as they may deem fit to consult] on the proposals.

2. In a recent judgment a copy of which is enclosed for reference, the Honourable Judges of the Rangoon High Court expressed the opinion that Section 55 of the Presidency Towns Insolvency Act, 1909 (which corresponds to Section 53 of the Provincial Insolvency Act, 1920) as construed in the light of rulings of the Judicial Committee imposes an unreasonable and unfair burden on the Official Assignee who, as the law now stands, must satisfy the court that the transfer was *not* made in good faith and for valuable consideration. They therefore suggest that the law should be amended so as to place this burden on the transferee. The Government of India are inclined to

agree with this view in its application both to Section 55 of the Presidency Towns Insolvency Act and to Section 53 of the Provincial Insolvency Act. At the same time they would take the opportunity to remove the distinction, more real in language than in interpretation, between the words "void" and "voidable" which occur in those sections by adopting the term "voidable" in the Presidency Towns Insolvency Act.

3. The second proposal, made by the Bengal Chamber of Commerce some time ago, is that Section 102 of the Presidency Towns Insolvency Act, 1909, and Section 72 of the Provincial Insolvency Act, 1920, should be amended so as to bring them into line (*a*) by providing for the trial and punishment of the offence irrespective of the Act under which the insolvent has been adjudicated and (*b*) by adding to Section 102 of the Act of 1909 a provision similar to sub-section (2) of section 72 of the Act of 1920. This suggestion was made in view of the decision of the Calcutta High Court reported in Ashutosh Ganguli *v.* Watson (I. L. R. 53 Cal. 929) that an undischarged insolvent adjudicated by a mufassal court under the Provincial Insolvency Act cannot be proceeded against under section 102 of the Presidency Towns Insolvency Act for the offence of obtaining credit in Calcutta and that the only method of proceeding against him is that laid down in sub-section (2) of section 72 of the Provincial Insolvency Act. The Government of Bengal, who were consulted, while recognising that uniformity in the law is desirable, considered that no advantage is likely to be gained by imposing a limitation such as that in section 72 (2) of the Provincial Insolvency Act which merely added to the expense and difficulty of prosecuting fraudulent bankrupts who obtained credit by concealing their adjudication, and that this restriction ought to be removed in the case of the Provincial Insolvency Act as well. They suggested that provision should be made for the trial of the accused by the Magistrate within whose jurisdiction the offence is committed after making an enquiry of the Insolvency Court to ascertain

the fact of adjudication and non-discharge of the insolvent. They were also of opinion that any difficulty about the joint trial of a mufassal insolvent and a presidency town insolvent would best be met by making the offence an ordinary Penal Code offence, and that, if this is not possible, specific provision should be made in both the Acts to allow of such trials.

4. The Government of India are inclined to think that, if the provisions of section 72 of the Provincial Insolvency Act are interpreted as restricting cognizance of an offence to the procedure described in sub-section (2), the principle to be followed in amending the law is that, where an undischarged insolvent obtains credit without disclosing his status, any person whom he thereby victimises should be allowed to launch the prosecution and the Court also should be allowed to launch it in the protection of its insolvency jurisdiction. If this principle is applied first to the Provincial Insolvency Act, only a small amendment would be required in the opening words of section 72 (2) to make it clear that that sub-section refers only to the case where the court acts as complainant without prejudice to the liberty of an aggrieved person to make a complaint himself. It also seems desirable to provide in that sub-section that the court may send the case for trial to a Magistrate of the first class having jurisdication instead of to the nearest Magistrate of the first class. As regards the Presidency Towns Insolvency Act there is nothing in section 102 to prevent either the court or an aggrieved person from lodging a complaint, and no amendment to that section would therefore seem to be required unless it is considered desirable to give the court powers similar to those contained in section 72 (2) of the Provincial Insolvency Act. The Government of India however consider that in order to avoid all need for summoning the Judge concerned provision may perhaps be made in both the Acts that a certificate from the court to the effect that the accused was an undischarged insolvent on and about the date of the offence shall be taken as

conclusive of that fact. The joint trial of a provincial insolvent and a presidency town insolvent for this offence is so rare that there seems to be no need to legislate for it.

5. The third and last proposal is that a provision should be made in the Presidency Towns Insolvency Act, 1909, similar to that contained in section 78 (2) of the Provincial Insolvency Act, 1920, and the Government of India consider that this is *prima facie* desirable.

Enclosure.

LETTER FROM THE SECRETARY TO THE GOVERNMENT OF BURMA, JUDICIAL DEPARTMENT, TO THE GOVERNMENT OF INDIA, LEGISLATIVE DEPARTMENT, NO. 744-W.-35 (3447), DATED THE 31ST DECEMBER 1935.

I am directed to forward for necessary action a copy of letter No. 423/20-139, dated the 17th December 1935, from the Registrar, High Court of Judicature at Rangoon, together with a copy of the Judgment in Civil Miscellaneous Appeal No. 56 of 1935 of the High Court of Judicature at Rangoon.

LETTER FROM THE REGISTRAR, HIGH COURT OF JUDICATURE AT RANGOON, TO THE GOVERNMENT OF BURMA, JUDICIAL DEPARTMENT, NO. 423/20–139, DATED THE 17TH DECEMBER 1935.

I am directed by the Honourable the Chief Justice to forward herewith two copies of the judgment in Civil Miscellaneous Appeal No. 56 of 1935 of this Court. His Lordship regards the matter as being of some urgent importance as it affects such a large number of cases in all the Courts in India. I am to request that one copy may be forwarded to the Law Member of the Governor-General of India's Council.

FORM OF JUDGMENT

In the High Court of Judicature at Rangoon.

Civil Miscellaneous Appeal No. 56 of 1935 against the order of this Court on the original side in Insolvency Case No. 148 of 1930, dated the 25th day of March, 1935.

U Ohn Pe
Appellant. } *versus* { Fatima Bibi
Respondent.

For Appellant .. .. .. Mr. Doctor.
For Respondent .. .. .. Mr. Bose.

Dated Rangoon, the 9th day of December 1935.

JUDGMENT

This appeal is dismissed.

The question is whether two transfers by which an insolvent transferred to his wife within seven months of his insolvency all the available property ought to be set aside under Section 35 of the Presidency Towns Insolvency Act. It has been held by the Judicial Committee of the Privy Council that the *onus* of proving that a transfer of property was not made in good faith and for valuable consideration lies upon the Official Assignee.—*Official Assignee of the Estate of Cheah Soo Tuan And Khoo Saw Cheow* (1), *Official Receiver* v. *P. L. K. M. R. M. Chettyar Firm* (2) and *Pope* v. *Official Assignee, Rangoon* (3). I have already had occasion to say, and I think it expedient to repeat, that in my opinion Section 55 of the Presidency Towns Insolvency Act construed in this sense imposes an unreasonable and unfair burden upon the Official Assignee, and it may be that the Legislature in its wisdom will think fit to alter the section in order that matters may be put right. The present case illustrates the unsatisfactory position in

(1) L. R. 1931 Appeal Cases, 67.
(2) I. L. R. IX Rangoon, 170.
(3) I. L. R. XII Rangoon, 105.

which the Official Assignee stands. The Official Assignee, under the law as it now obtains, in order to succeed must satisfy the Court that these transfers were not made in good faith and for valuable consideration, notwithstanding that under Section 106 of the Evidence Act it is provided that "when any fact is specially within the knowledge of any person the burden of proving that fact is upon him". It is usually well nigh impossible for the Official Assignee to discharge the burden of proof which is cast upon him. He represents the general body of creditors. Neither he nor the creditors of the insolvent in nine cases out of ten have any knowledge whatever of the circumstances in which the transfer that is being impugned took place, the transaction being between the insolvent and some third person who, of course, may or may not be a creditor.

In the present case the insolvent is a blind man of 62, and he allowed his hardware business in Rangoon to be managed by his sons. There was evidence that in 1927–28–29 the business was carried on at a loss, and it appears from entries in the ledger that between January 1929 and October 1929 the insolvent's wife had been credited from time to time with comparatively small sums which the insolvent and his wife stated had been lent by the wife to the business. None of the sons went into the witness box, and there was no evidence as to the way in which these various sums were appropriated by the sons in the course of the business except that as and when the loans were received payments were made to creditors of the business. At all material times the insolvent his wife the transferree and the sons were on good terms, and the husband and wife and some of their sons were living in the same house. On the 26th October, 1929, an agreement was entered into between the husband and the wife in which it was stated that:—

> "Whereas the Purchaser advanced to the Vendor Rupees Thirteen thousand three hundred (Rs. 13,300) by three instalments in October 1929 and whereas

the Vendor has agreed to enter into such agreement of sale his lands and property described in the Schedule hereunder written in payment and satisfaction of the said amount now it is hereby agreed as follows:—

1. The Vendor shall sell to the Purchaser the land and premises described in the Schedule hereunder written in full satisfaction of the said sum of Rupees Thirteen thousand three hundred (Rs. 13,300) and the Purchaser agrees to purchase the said land and premises from the Vendor in full satisfaction of the said amount due to her by the said Vendor.

2. The Vendor shall execute the conveyance of the said land and premises described in the Schedule hereunder written in favour of the Purchaser within three months from the date hereof".

According to the entries in the ledger the total sum standing to the credit of the wife on the 26th October 1929 was Rs. 14,865. On the 10th January 1930 the transfer of substantially all the insolvent's property was executed in favour of his wife in consideration and liquidation of this debt of Rs. 13,300, and on the 20th January 1930 a further conveyance of the remainder of the insolvent's property was executed in favour of the wife for Rs. 1,500 and entries to that effect are to be found in the ledger. There was also evidence, which was neither shaken nor rebutted, that the wife at all material times was possessed of funds out of which the loans could have been made.

Now, the only substantial point in favour of the Official Assignee is that the recital in the agreement of the 26th October, 1929, that Rs. 13,300 was paid by three instalments in October, 1929, does not tally with the entries in the ledger or with the oral testimony in support of those entries, which was to the effect that the Rs. 13,300 was part of a sum of Rs. 14,865 that had been lent by the

wife to the husband and/or the sons for the purpose of the business in a number of comparatively small payments between January and October, 1929. The learned trial Judge Braund J. in the course of his judgment observed that:—

> "It is true that in the recital in the agreement it is said that the money was advanced in three instalments, and that does not tally with the accounts to which I have already made reference. But though I do not pretend to be able to explain that discrepancy it does not shake me in my view —I will not say my view necessarily that this is a *bona fide* transaction—but my view that the Official Assignee has not established that it is not a *bona fide* transaction".

We are invited by Mr. Doctor on behalf of the Official Assignee to hold that the decision of the learned trial Judge was wrong, and that upon the evidence Braund J. was not justified in finding that the Official Assignee had failed to discharge the *onus* which lay upon him of satisfying the Court that the transfers were not made in good faith and for valuable consideration. As I have said, in my opinion,—if a Judge is at liberty to express an opinion upon a matter of policy—the law ought to provide that the *onus* should lie upon the transferee under Section 55 to prove that the transfer was in good faith and for valuable consideration, the general rule being that such a transfer is void as against the Official Assignee representing the general body of creditors. I am firmly of opinion that, if a transferee claims that he took the property *bona fide* and for valuable consideration and therefore was excluded from the operation of the section, the *onus* ought to be placed upon him of proving that the transfer did not fall within the ambit of Section 55. It seems to me that the transfer of the whole of the property of the insolvent to his wife within so short a time before his insolvency, especially when for some years previously his business had been carried on at a loss, is open to grave suspicion. On the other hand there was unrebutted evi-

dence that the wife had given full value for the property that was transferred to her, and the oral testimony in that behalf is borne out, at any rate to some extent, by the recitals in the agreement of October, 1929, and the entries in the ledger, for these documents agree to this extent, that they record the fact that payments by way of loan to the insolvent were made by his wife. I confess that in this case my mind is *balance*, and if the *onus* had been upon the transferee, as I think it ought to have been, to prove that she took the transfers in good faith and for valuable consideration, I should have been disposed to hold that the respondent in the present case had failed to discharge the burden of proof that lay upon her. On the other hand, as the *onus* had been held to lie upon the Official Assignee, and the learned trial Judge was not satisfied in the circumstances that the Official Assignee had proved that the transfers were made not in good faith and for valuable consideration, I am not prepared sitting in appeal to hold that the conclusion at which the learned trial Judge arrived was incorrect, or that this Court would be justified in reversing his decision upon the ground that we are satisfied that it was proved by the Official Assignee that the transfers had been brought within Section 55 upon the ground that they were not made in good faith and for valuable consideration.

For these reasons, in my opinion, the appeal fails and must be dismissed with costs four gold mohurs.

Let a copy of this judgment be forwarded to the Government of India and to the Local Government.

I agree.

(Sd.) MYA BU,
Judge.

(Sd.) ARTHUR PAGE,
Chief Justice.

Letter No. 2078 *dated* 19*th August* 1936 *from Chamber to Government of Bombay.*

I am directed to refer to your letter No. 7988/3-B of the 17th July 1936 and in reply send to you hereby

the views of my Committee on the proposals under consideration.

My Committee agree with the suggestion that the burden of proving that the transfer was made in good faith and for valuable consideration must be on the transferee under Sections 55 of the Presidency Towns Insolvency Act and 53 of the Provincial Insolvency Act. They further suggest that the same principle should be extended to Sections 56 of the Presidency Towns Insolvency Act and 54 of the Provincial Insolvency Act by throwing the burden on the creditor in whose favour the preference is given.

My Committee also agree with the suggestion that instead of the word "void" the word "voidable" should be substituted in Section 55 of the Presidency Towns Insolvency Act.

In this connection my Committee wish to make it clear that a *bona fide* transferee of any property or asset from the insolvent who could demonstrate to the satisfaction of the Court that the transfer was *bona fide* and for consideration should have re-imbursed to him the cost incurred by him in that connection.

As regards the proposal made by the Bengal Chamber of Commerce, my Committee agree with the views of the Bengal Government as set forth in paragraph 3 of the letter from the Government of India dated 2nd July 1936.

My Committee also agree with the suggestion contained in paragraph 4 of the Government of India letter that a certificate from the Court to the effect that the accused was an undischarged insolvent should be conclusive evidence of that fact.

My Committee are also agreeable to the third and last proposal of the Government of India.

APPENDIX 64

Legislation to provide for Compulsory registration of lis pendens

Letter No. 8236 *dated 2nd October* 1936 *from Government of Bombay, Home Department, to Chamber.*

I am directed to forward herewith a copy of a letter from the Government of India in the Home Department, No. F.515/36-Judicial, dated the 8th September 1936, and of its accompaniments, regarding the desirability of undertaking legislation to provide for compulsory registration of *lis pendens*, and to request that you will be so good as to favour Government with the opinion of your Chamber. I am also to request your Chamber to consider whether the desired object cannot be achieved otherwise than by compulsory registration of all *lis pendens*.

*Letter No. F.*550/36 *dated 8th September* 1936 *from the Government of India to Government of Bombay.*

I am directed to forward for *the information* of the Governor in Council, a copy of the papers noted in the annexed list containing representations from certain commercial bodies on the desirability of undertaking legislation to provide for compulsory registration of *lis pendens*.

2. The suggestion is justified on the ground that Section 52 of the Transfer of Property Act, 1882, which deals with the transfer of property pending suit relating thereto is defective in that it does not sufficiently safeguard persons who have in good faith taken transfer of property, with the result that they are liable to be defrauded by transferors who conceal the fact that pending litigation affects that property.

3. The suggestion now put forward received the attention of the Government of India in 1929 when the last revision of the Transfer of Property Act was undertaken. It was

then urged on the one hand that the Government of India, following the English law on the subject under which a transferee is not affected by a pending action unless it is registered and registered every 5 years—*vide* sections II, IV and VII of the Judgments Act, 1839 (2 & 3 Vict, Cap. 11)—should adopt a provision on the same lines. On the other hand, it was argued that (1) few people in India ever seek to register their decrees, (2) that the adoption of the suggestion would mean more cost to parties and (3) that it would require development of the registration system in the country. These objections prevailed and the matter was not pursued further.

4. In view of the representations now received by the Government of India they have considered the question afresh and attach some weight to the apprehensions felt by these commercial bodies. The difficulties complained of are likely to be felt especially in important commercial centres.

List of enclosures

1. Letter from the Indian Chamber of Commerce, Calcutta, No. 00367, dated the 16th April 1935.
2. Letter from the Indian Merchants' Chamber, Bombay, No. 1165, dated the 15th May 1935.
3. Letter from the Bengal Chamber of Commerce, Calcutta, No. 1603-1935, dated the 29th May 1935.
4. Letter from the Southern India Chamber of Commerce, Madras, No. C.745, dated the 4th July 1935.
5. Letter from the Federation of Indian Chambers of Commerce and Industry, Calcutta, No. F.629, dated the 1st May 1936 with an extract copy of Resolution No. 18 referred to therein.

Copy of a letter No. 00367, dated the 16th April 1935, from the Indian Chamber of Commerce, Calcutta, to the Government of India, Legislative Department.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta, to invite your attention to the necessity of registration of *Lis Pendens*.

The first part of Section 52 of the Transfer of Property Act (Act 4 of 1882), as amended by Act 20 of 1929 and Act 5 of 1930, runs as follows:—

> "During the pendency in any court having authority in British India, or established beyond the limits of British India by the Governor General in Council, of any suit or proceeding which is not collusive and in which any right to immovable property is directly and specifically in question the property cannot be transferred or otherwise dealt with by any party to the suit or proceeding so as to affect the rights of any other party thereto under any decree or order which may be made therein, except under the authority of the Court, and on such terms as it may impose."

The Committee of the Chamber desire to point out that the effect of the above section is that a transferee of an immovable property during the pendency of a suit (under the conditions mentioned in the above Section) does not acquire any interest in the property so as to affect the rights of the parties to the suit however bona fide he may have acted and whether he had notice of the pending suit or not. While the consequences resulting from the provisions of the above section are so serious, there is no method whereby a person intending to acquire an interest in an immovable property can ordinarily know by searches whether any suit affecting the property is pending in any court or not. An analysis of the large number of decisions under the provisions of Section 52 of the T. P. Act will show that a large number of bona fide transferees for value without notice of the pending action have been victims at the hands of unscrupulous transferors who managed to transfer their property concealing the fact of the pending action. Section 52 of the Transfer of Property Act is based on the English doctrines of *lis pendens*.

In England a transferee is not affected by a pending action unless it is registered and re-registered every five

years under the provisions of Judgments Act, 1839 (2 & Victorian c. 11 Section 4 & 7). While the doctrine of *lis pendens* was borrowed from the English law it is unitelligible why provisions similar or analogous to those contained in the aforesaid English Act should not be introduced in the Indian Registration Act. It is eminently desirable that the provisions should be made by the legislature so as to make Section 52 of the Transfer of Property Act operative only upon Registration of the Action Suits relating to land both under the C. P. Code (Act 5 of 1908) and under the various Charters the several High Courts having Original Side may be instituted in any Court in whose jurisdiction the land or a part thereof is situated. In these circumstances a *lis pendens* should for the purpose of registration be treated on the same basis as other documents relating to land. Sections 28, 30, 66 and 67 of the Indian Registration Act being Act 16 of 1908 should be made applicable to such registration.

Registration of pending actions is necessary from another point of view also so far as persons governed by the Mitakshara School of Hindu Law are concerned. Institution of a Partition suit affects a severance of the joint status of the members of a joint Hindu family. In a recent case (Dhanabati Bibi *v.* Pratapmull Agarwalla & Anr.) the Calcutta High Court has held that institution of a suit even affects partition and the right of the female members of a family (where such female members are entitled to a share) accrues from the date of the institution of a suit. At any rate the result is that the Karta cannot act as such and for the protection of persons dealing with the Karta regarding immovable properties of the Joint Family it is necessary to provide by legislation that strangers will be affected by such proceedings only if the action is registered.

The Committee trust that the Government of India will give the matter their immediate attention.

Copy of a letter No. 1165, *dated the* 15*th May* 1935, *from the Indian Merchants' Chamber, Bombay, to the Government of India, Legislative Department.*

The Committee of this Chamber have been considering the question of registration of *Lis Pendens* and have directed me to send their views to you hereby regarding the same.

My Committee desire to point out that the effect of Section 52 of the Transfer of property Act, as amended by Act 20 of 1929 and Act 5 of 1930 is that a transferee of an immovable property during the pendency of a suit does not acquire any interest in the property so as to affect the rights of the parties to the suit although such a transferee may be a *bona fide* transferee for value without notice. In Bombay where there are large transactions in immovable properties, a person, firm or corporation advancing moneys on immovable properties will not be safe if the same is the subject matter of a litigation in any court of British India.

Questions are particularly put to the transferor as to whether the property is subject of *Lis Pendens* or any litigation and it is only on the faith of answers to such questions that a *bona fide* transferee completes the transaction. But if the transferor gives false answers to such questions, the transteree loses his security and has no remedy in law against the transferor except that he might be prosecuted for cheating.

In order, therefore, to safeguard rights and interests of *bona fide* transferees for value without notice, it is necessary that Government should maintain a register in which all pending litigations affecting immovable properties should be registered and re-registered every five years. My Committee find a similar provision in England where such a register is maintained under the provisions of Judgments Act, 1839.

My Committee are of the opinion that in case where immovable properties are owned by Joint Hindu families several suits are sometimes filed for partition of these properties, which may not come to the knowledge of *bona fide* transferees.

My Committee, therefore, submit that the Government of India should introduce a Bill amending Section 52 of the Transfer of Property Act on the lines suggested above.

Copy of a letter No. 1603-1935, *dated the* 29*th May* 1935, *from the Bengal Chamber of Commerce, Calcutta, to the Government of India, Legislative Department.*

The Committee of the Bengal Chamber of Commerce have had the advantage of reading the copy of a letter dated the 16th April which the Indian Chamber of Commerce, Calcutta, have addressed to the Government of India with regard to the necessity for the registration of *lis pendens*. The Bengal Chamber Committee have been impressed with the arguments put forward by the Indian Chamber of Commerce and they fully endorse the view expressed by them that an Act should be passed providing for the registration of pending suits relating to land so as to relieve the hardship sometimes caused to an innocent transferee who may purchase land without notice of the existence of a suit affecting the title of the land. The Chamber Committee understand that the doctrine of *lis pendens* in this country is based on the English law, and they are advised that there is no reason why registration of the filing of suits affecting the title to immovable property should not be made compulsory, as it is in England. If this is done, and the public are given facilities to inspect the register, the difficulties arising from the application of the doctrine of *lis pendens* will be avoided and a statutory protection afforded to *bona fide* purchasers. In these circumstances the Committee of this Chamber venture to hope that the Government of India will see their way favourably to

consider the proposal put forward by the Indian Chamber of Commerce.

Copy of a letter No. G.745, dated the 4th July 1935, from the Southern India Chamber of Commerce, Madras, to the Government of India, Legislative Department.

Registration of Lis Pendens

My Committee have considered at the instance of the Indian Chamber of Commerce, Calcutta, who have already addressed you in the matter, the question of registering pending suits on immovable property under the Indian Registration Act so that purchases of such property might not be made during the pendency of such legal proceedings. They fully concur in that Chamber's views, and will be glad if Government will be pleased to introduce an amendment of the Transfer of Property Act for the purpose.

Copy of a letter No. F.629, dated the 1st May 1936, from the Federation of Indian Chambers of Commerce & Industry, Calcutta, to the Government of India, Legislative Department.

SUBJECT:—**Registration of Lis Pendens**

I am directed to enclose a copy of the Resolutions adopted by the Federation at its Ninth Annual Session held in Delhi on 4th and 5th April, 1936, and to invite the attention of the Government of India to Resolution 18 on the above subject.

Copy of an extract of Resolution No. 18.

RESOLUTION 18

Registration of Lis Pendens

The Federation urges upon the Government of India the desirability of undertaking legislation with a view to make the Registration of *Lis Pendens* compulsory.

Adopted with one representative dissenting.

Letter No. 2779 dated 30th October 1936 from Chamber to Government of Bombay.

I am directed to acknowledge receipt of your letter No. 8236/3 dated the 3rd October 1936 and to submit hereby the views of the Committee of this Chamber on the above reference as under.

My Committee have carefully considered the various points raised by the Government of India in their letter No. F.550/36 dated Simla, 8th September 1936, which accompanied your letter in connection with the question of legislation to provide for compulsory registration of *lis pendens*. They had already expressed themselves in favour of such legislation last year and beg to reiterate the same views on the present occasion. They have considered as to the possibility of there being an alternative to registration, but cannot find any and they therefore recommend to Government to be pleased to take necessary steps with regard to legislation at an early date.

APPENDIX 65

Amendment of Clauses 12 and 14 of the Letters Patent of the Bombay High Court

Letter No. 2613 dated 25th October 1935 from Chamber to Government of India, Home Department.

I am directed by the Committee of this Chamber to draw your attention to the correspondence on the subject of amendment of clauses 12 and 14 of the Letters Patent of the Bombay High Court ending with my letter No. 302, dated 31st January 1935.

2. My Committee had, as far back as October 1928, suggested the necessity of amending clause 12 of the Letters Patent of the Bombay High Court as indicated in the

judgment of Sir Amberson Marten, the late Chief Justice of the Bombay High Court, in his leading judgment in the Bombay Full Bench case of Hatimbhoy *v.* Framroze Edulji reported in 51 Bombay, page 516.

3. The Government of India thereafter took up the matter and ultimately by his letter No. F.118/34, dated the 13th November 1934, the Joint Secretary to the Government of India, circulated the proposed draft of the amendment of clauses 12 and 14 of the Letters Patent for the opinion of the Governments of the different Provinces and the High Courts. A copy of this letter was forwarded to my Committee, with your letter No. 4299/2-11-B, dated the 23rd November 1934, for their views thereon. In reply, my Committee approved of the amendments proposed. But so far no further steps appear to have been taken with the result that the delay has been partly responsible for much legal confusion and the deadlock which has been created as a result of the decisions of the Court of the Judicial Commissioner at Nagpur delivered in 1st Appeal No. 20 B of 1934—Gangaram Tekchand *v.* Dharamsey Jetha—and 1st Appeal No. 166 of 1933—Murlidhar Shrinivas *v.* Gorakhram Sandhuram & Others.

4. My Committee find that, in the latter case, the Court of the Judicial Commissioner at Nagpur refused to execute writs of possession issued by the Bombay High Court requesting the Nagpur Court to put in possession the purchaser of certain properties situate in Wardha and Pulgaon in the Central Provinces which were sold by the Bombay High Court in pursuance of the decree absolute for sale passed by the High Court in a suit filed to enforce the mortgage on those properties. The Court of the Judicial Commissioner at Nagpur held that notwithstanding the Full Bench decision of the Bombay High Court reported in 51 Bombay, p. 516 (Hatimbhoy *v.* F. E. Dinshaw) the Bombay High Court had no jurisdiction to pass decrees in respect of properties situate within the appellate jurisdiction of the Nagpur Court and that such decrees by the Bombay High Court are nullities.

5. My Committee are informed that numerous decrees have been passed by, and many suits are even now pending in, the Bombay High Court affecting properties situate in the Central Provinces within the appellate jurisdiction of the Court of the Judicial Commissioner at Nagpur. In several cases these properties have been sold or have been ordered to be sold by the Bombay High Court. Bombay Banks and financiers have advanced moneys on the mortgage of properties in the Central Provinces acting on the faith of the correctness of the view expressed in the above-mentioned Bombay Full Bench decision, that a suit to enforce such mortgages would lie in the Bombay High Court. If the Nagpur decision is allowed to stand not only important business transactions but titles to numerous properties in the Central Provinces which have been sold by the Bombay High Court in the course of the last several years will be seriously affected. Whatever may be the merits of the decision of the Nagpur Court, as businessmen my Committee fail to understand how it is possible that when a British Indian High Court passes a decree in accordance with the law as understood by it, another Court in British India can refuse to execute it as being against its own view of the law.

6. However that be, the decisions of the Court of the Judicial Commissioner at Nagpur have created a serious situation, and it is felt by the commercial community that the only way out of the impasse created is to put through, immediately, suitable legislation not only to amend clauses 12 and 14 of the Letters Patent in terms of the draft circulated by the Government of India but also to give such amendment retrospective effect and to validate the decrees which have already been passed by the Bombay High Court in respect of properties situate in the Central Provinces and to nullify the effect of the decisions of the Court of the Judicial Commissioner at Nagpur.

7. My Committee trust that the Government of Bombay will appreciate the seriousness of the situation which has been created by the decisions of the Court of

the Judicial Commissioner at Nagpur and will impress upon the Government of India the necessity of putting through, without any further delay, the proposed legislation for the amendment of clauses 12 and 14 of the Letters Patent with retrospective effect and for remedying the situation which has been created by the Nagpur decisions.

Letter No. 2623 dated 25th October 1935 from Chamber to Government of India, Home Department.

I am directed by the Committee of this Chamber to forward herewith to Government a copy of the letter, No. 2613, dated 25th October, 1935, addressed by them to the Government of Bombay on the subject of the amendment of clauses 12 and 14 of the Letters Patent.

My Committee trust that the Government of India will realise the gravity of the situation created by the decisions of the Court of the Judicial Commissioner at Nagpur, and will be pleased to adopt the suggestions contained in their letter to the Government of Bombay and to introduce, as soon as possible, suitable legislation not only to amend clauses 12 and 14 of the Letters Patent in terms of the draft circulated by the Government of India, with their letter No. F.118/34/Judicial, dated 13th November 1934, but also to give such amendment retrospective effect and to validate decrees which have already been passed by the Bombay High Court in respect of properties situate in the Central Provinces and to nullify the effect of the recent decisions of the Court of the Judicial Commissioner at Nagpur which have created a deadlock.

Letter No. 4299/2-11-B dated 20th April 1936 from Government of Bombay to Chamber.

With reference to your letter No. 2613, dated the 25th October 1935, on the subject noted above, I am directed to state that the Secretary of State for India has been addressed by the Government of India on the question of amending clause 12 of the Letters Patent of the

Bombay High Court and his reply is awaited. The Government of India also introduced a Bill in the Legislative Assembly on the 6th March 1936 with the object of giving validity to the decrees passed by the Bombay High Court on the authority of clause 12 of the Letters Patent as interpreted by them.

APPENDIX 66

Bombay High Court Rule regarding Commercial Causes

Letter No. 2582 dated 10th October 1936 from Chamber to the Registrar & Prothonotary, Bombay High Court.

Inconvenience having been felt by merchants in commercial work generally by the delay in the trial of ordinary causes and the considerable expense thereof, with a view to expedite the trial of suits and minimise the costs, a special classification was created of suits in which merchants are interested, which was called commercial causes. The present High Court Rule No. 199 describing commercial cause runs as follows :

> "199. Commercial Causes include causes arising out of the ordinary transactions of merchants, bankers, and traders; amongst others, those relating to the construction of mercantile documents, export or import of merchandise affreightment, carriage of goods by land, insurance, banking and mercantile agency and mercantile usages".

Hitherto this rule was given a very liberal interpretation and practically all cases in which commercial transactions were concerned were set down for trial as commercial causes.

In old days whenever a plaintiff desired to file a suit as a commercial cause he made an application for the purpose to the Prothonotary who admits the plaints, and if the suit complied with the requirements of commercial

causes it was straightaway admitted. That procedure was, however, modified recently by the High Court and it was directed that even in suits which were intended to be tried as commercial causes, the plaint must, in the first place, be accepted as in an ordinary long cause, and thereafter the plaintiff or the defendant would take out summons for directions at the hearing of which if the Judge was satisfied that the case was a proper commercial cause, he could direct it to be tried as such. The result of this procedure was that if the defendant wanted to interpose delay, he could raise all sorts of objections in the fixing of the suit as a commercial cause. In this connection the recent decision of the Hon'ble Mr. Justice Kania in Suit No. 1000 of 1936 narrows down considerably the scope of commercial causes and if rigidly adhered to, it would result in a number of cases involving simple commercial transactions, such as cases relating to Commission Agencies in relation to their constituents upcountry etc., not being entertained as commercial causes. This would naturally result in considerable delays and would mean great inconvenience and expenditure to the commercial community as a whole. They feel that the Hon'ble Mr. Justice Kania's decision is likely to adversely affect the whole course of commercial litigation in the Bombay High Court. The remedy seems to be that the present Rule governing commercial causes should be sufficiently widened so as to include all transactions of a commercial and business nature. My Committee beg to suggest that Rule 199 of the High Court regarding Commercial Causes be amended as under:

> "199. Commercial Causes include causes arising out of ordinary transactions of merchants, bankers, traders, principals, agents, brokers and adatias; amongst others those relating to the construction of mercantile documents, export or import of merchandise affreightment, carriage of goods by land, insurance, banking and mercantile agency and mercantile usages including also those relating to the claims of agents, pucca and katcha adatias and brokers against their constituents and vice versa and also include causes arising out of the

transactions of purchase and sale of goods between merchants and merchants and/or merchants and their customers".

It is hoped that the Hon'ble the Chief Justice and other Judges of the High Court will be pleased to accept this suggestion of the Committee of this Chamber so as to ensure quicker disposal of commercial causes in a less expensive manner.

The Committee of this Chamber also bring to the notice of the Hon'ble the Chief Justice and other Judges of the High Court the necessity for appointing a Commercial Causes Judge from the Indian Bar who should have ample experience and knowledge of commercial suits during his legal career in the High Court, as such an appointment would greatly assist in the satisfactory disposal of commercial causes suits.

Letter No. 1017 *dated 26th November* 1936 *from the Prothonotary to Chamber.*

I am directed by the Hon'ble the Chief Justice and Judges to acknowledge the receipt of your letter No. 2582 dated the 10th October 1936, inviting a reference to the Judgment delivered by the Hon'ble Mr. Justice Kania in Suit No. 1000 of 1936, requesting that Rule 199 regarding Commercial Causes may be amended on the lines mentioned in the above letter, and suggesting that the appointment of a Judge to hear Commercial Causes may be made from the Indian Bar who should have ample experience and knowledge of commercial suits during his legal career in the High Court.

In reply I am to state that the present Rule 199 is almost identical with the English rule and that in the opinion of Their Lordships, it is wide enough and gives ample discretion to the Judge to decide from the nature of the dispute whether a suit is of a commercial nature or not. Their Lordships therefore do not see any reason to amend the said rule as suggested by your Chamber.

As regards the appointment of a Judge to hear Commercial Causes, I am to say that the constitution of all Boards in the High Court rest with the Chief Justice and at the beginning of each term, His Lordship assigns Commercial Causes to a particular Judge who has had experience of mercantile cases at the Bar. I am to add that for the last six years, at any rate, commercial work has been assigned on this principle and not by rotation amongst all the Judges.

APPENDIX 67

Bombay Weights and Measures Act—New Denominations

Letter No. I.G.12 (d) 10677 dated 3rd November 1936 from the Director of Industries, Bombay, to Chamber.

I have to invite your attention to draft notifications Nos. 1625/33-a and 1625/33-b, dated 24th October 1936 on pages 2341 and 2369 of the Bombay Government Gazette, dated 29th October 1936. In these two draft notifications, Government proposes to recognise new and additional denominations of weights and measures in addition to those already recognised in the first schedule of the Act.

I shall be obliged if you will kindly forward your objections thereto to the Secretary to Government of Bombay, General Department, on or before the 1st December 1936. Please treat this reference as *urgent*.

Additional Weights and Measures and Multiples and Sub-Multiples

1. *Weights.*	*Trades.*
The Bullion tola of 180 grains	(1) Gold, silver and precious stones trade.
Rati=1/64 Tola	
Multiples 2, 3, 4, 5, 10, 20, 30, 50, 100, 200, 300, 500, 1,000 and 2,000 of tola.	
Sub-multiples 1/64, 1/32, 1/16, 1/8, 1/4, and 1/2 of Tola and Rati.	

2. *Liquid Measures.* (2) Liquor and drug trade.

The liquor dram = 1/48 of Imperial gallon.

Sub-multiples 1/4, 1/2 and multiples 2, 4, 8 drams.

The peg = 2 fluid oz. or 1/80 Imperial gallon.

Sub-multiple 1/2 peg.

3. *Weights* (*Apothecaries*). (3) Apothecaries trade.

Apothecaries ounce = 8 drachm or 480 grains.

Apothecaries drachm = 60 grains.

Sub-multiples 1/16, 1/8, 1/4, 1/2 and multiples 2, 4, 6, 8, and 10 of apothecaries oz.

The Scruple = 1/3 drachm or 20 grains.

The sub-multiple 1/2 and multiple 2 of Scruple.

NOTE: Apothecaries weights from 10 oz. to 1 oz. should be marked "Apoth".

3 (*a*). *Liquid Measures* (*Apothecaries*). (3) (*a*) Apothecaries trade.

Fluid oz. = 1/160 Imperial gallon.

Fluid drachm = 1/8 fluid oz.

Minim = 1/60 fluid drachm.

All measures of capacity from 40 fluid oz. down to a half fluid oz.

" " 16 fluid drachm down to a half fluid drachm.

" " 60 minims down to 1 minim.

EXPLANATION: One fluid ounce contains 437.5 grains of weight of distilled water at 62°F.

Other Multiples and Sub-Multiples of Weights and Measures

WEIGHTS.

The dram is equal to 1/16th part of an ounce or 1/256 part of a lb.

Sub-multiples 1/8, 1/4, 1/2 of dram and multiple 2, 4, 8 drams.

The grain and sub-multiples .01, .02, .03, .05, .06, .1, .2, .25, .3, .5, .6 and multiples 2, 3, 4, 5, 6, 8, 10, 12, 16, 20, 24, 30, 48, 50, 60, 72, 100, 120, 240.

DRY MEASURES.

Sub-multiple 1/32 seer.

Sub-multiples 1/8, 1/4, 1/2, 3/4 of Bombay Maund.

LIQUID MEASURES.

Sub-multiple 1/32 seer.

Sub-multiples 1/8, 1/4, 1/2 and multiples 2, 4, 5, 8, 15, 20, 40, 50, 100 and 200 of Imperial gallon.

The Gill=1/4 Pint.

Sub-multiples 1/8, 1/4, 1/2 and multiples 2, 4, 8 of Pint and Gill.

LENGTH.

Sub-multiple ½ of the yard.

Multiples 2, 3, 4, 5, 6, 7, 8, 9, 10, 20, 25, 33, 50, 66, 100 of the Foot.

Multiples 6, 18, 30, 42, 56, 66 and 100 and all sub-multiples of the Inch.

AREA AND VOLUME.

Sub-multiples 1/2 and 1/4 of Brass.

Letter No. 3193 *dated 9th December* 1936 *from Chamber to the Director of Industries.*

I am directed to acknowledge receipt of your letter No. I.G.12(d)/10677, dated 3rd November 1936, and to

submit hereby the views of the Committee of this Chamber on the proposed new and additional denominations of weights and measures.

With regard to the proposed Rati for gold, silver and precious stones trade, my Committee beg to draw the attention of Government to the fact that in the bullion trade in Bombay a tola is sub-divided into 40 Vals, and under ¼ tola the weights are declared as ¼, ½, ¾, 1, 2, and 3 Vals, etc. Rati is generally not used in weighing bullion at all, but in rare cases when Rati is used, one Val is considered to be equal to 3 Ratis. This, however, is not the same Rati as is now proposed by Government which is equal to 1/64 tola. The Rati according to the bullion trade is equal to 1/120 tola. My Committee, therefore, beg to request Government to be pleased to take this fact into consideration, before finally fixing the Rati for the bullion trade.

With regard to the other denominations under reference, my Committee have no suggestions to offer.

APPENDIX 68

Rules under the Bombay Motor Vehicles Tax Act, 1935

(NOTE.—The draft rules are not printed here. The Rules can be referred to in Government of Bombay, Home Department, Notification No. 6832/3 dated 20th February 1936.)

Letter No. 776 dated 18th March 1936 from Chamber to the Superintendent of Police, Bombay.

In continuation of my letter No. 673* of the 4th instant, I am now directed by the Committee to submit

* This letter of 4th asked for extension of time for submission of views.

their views on the draft rules under the Bombay Motor Vehicles Tax Act, 1935, as under:—

With regard to Rule No. 20, my Committee are of opinion that Police Officers of at least of the rank of Sub-Inspectors should alone be empowered to stop a motor vehicle with a view to ascertain whether the tax was paid or not.

With regard to Rule 21 a (*i*), my Committee feel that the penalty of 1/16 is too high. In their opinion, a nominal penalty of Rs. 2 should be quite enough for an offence of the nature under reference.

With regard to Rule 21 a (*ii*), the penalty for the offence under this head should be reduced to 1/16 of the annual tax instead of 1/8.

With regard to Rule 23, my Committee suggest that at least 15 days' period should be allowed to owners of motor vehicles visiting Bombay Presidency within which to make a declaration to the Registering authority. Motorists coming from other provinces will naturally take some time to acquaint themselves with the motor regulations of the Bombay Presidency and a period of 7 days proposed to be allowed to make a declaration is too short.

My Committee, in this connection, would be obliged if you will let them know whether motor cars belonging to the Indian Princes and plying regularly to Bombay will come under the operation of the Motor Vehicles Tax Act, 1935, and rules thereunder.

APPENDIX 69

Pharmacy Act for Bombay Presidency—Committee for

Letter No. 809/33/*B dated* 14*th April* 1936 *from Government of Bombay, General Department, to Chamber.*

I am directed by the Government of Bombay (Transferred Departments) to say that they have constituted a

Committee to consider the question of framing a Pharmacy Act for the Bombay Presidency. The constitution of the Committee and the terms of reference to it are stated in the accompanying statement.

2. I am to request that you will be so good as to move the Indian Merchants' Chamber to select two representatives who should be practising and qualified chemists on the Committee and send the requisite intimation thereof to Government and to the Chairman of the Committee.

Accompaniment to Government Letter No. 809/33/B, dated the 14th April 1936.

CONSTITUTION OF THE COMMITTEE

Chairman.

The Surgeon-General with the Government of Bombay.

Members.

Lieutenant-Colonel S. S. Sokhey, I.M.S., Director, Haffkine Institute, Bombay.

Lieutenant-Colonel R. H. Candy, I.M.S., Civil Surgeon, Poona.

The Professor of Materia Medica, Grant Medical College, Bombay.

The Professor of Materia Medica, Seth Gordhandas Sunderdas Medical College, Parel, Bombay.

One representative from the Bombay Medical Council.

One representative of the College of Physicians and Surgeons of Bombay.

Two representatives* to be nominated by the Bombay Chamber of Commerce.

Two representatives* to be nominated by the Indian Merchants' Chamber.

* These should be practising and qualified chemists.

One representative of the Educational Department, nominated by the Director of Public Instruction.

Secretary.

Captain A. N. Chopra, I.M.S., Personal Assistant to the Surgeon-General.

2. The terms of reference to the Committee will be as follows:—

The framing of a Pharmacy Act for Bombay Presidency in so far as it relates to—

(*a*) the registration and training of druggists, pharmacists and compounders;

(*b*) the licensing and registration of shops or establishments in which pharmaceutical products or poisons are sold;

(*c*) the formation of a Pharmaceutical Society in Bombay, its constitution and powers;

(*d*) the adequate inspection of chemists and druggists' shops or establishments.

Letter No. 1134 *dated 22nd April* 1936 *from Chamber to Government of Bombay.*

With reference to your letter No. 809/33/B, dated 14th April 1936, I am directed to inform you that my Committee have nominated the following two gentlemen to represent the Chamber on the Committee appointed by Government to consider the above question:—

(1) Dr. M. Venkatrao, Messrs. N. Powell & Co., Lamington Road, Bombay.

(2) Mr. B. D. Amin, Alembic Chemical Works Co., Ltd., Baroda.

APPENDIX 70

Coordination of Excise Rules and Regulations

Letter No. 795 dated 19th March 1936 from Chamber to Government of India, Department of Education, Health and Lands.

The attention of the Committee of this Chamber has been drawn to the difficulties experienced by the indigenous industry interested in the manufacture of drugs, medicines and pharmaceutical products on account of the inter-provincial barriers in the various provinces in British India and the Indian States, and I am directed by them to address the Government of India on the subject as under : My Committee feel that the difficulties are real and hamper seriously the growth and development of the indigenous industry, and they therefore hope that this representation will receive urgent and sympathetic consideration.

2. Government are no doubt aware that Excise Rules and Regulations of one province differ from those of another and restrictions are imposed by each provincial Government on the export and import of spirituous medicines and toilet preparations, with the result that these restrictions form serious barriers to the free movements of these products and to business in them in general.

3. The nature of these restrictions will be understood from the elaborate procedure and often impractical rules laid down by the Excise Department in each province. To give an illustration of the elaborate procedure enforced by the Excise Department, an importer in one province who desires to import Indian-made spirituous medicines and toilet preparetions, is required under Rules to secure an import permit from the Excise authorities of the place where he wants to import, and in his application for such a permit, he is required to mention the alcoholic strength of each of the products he requires and the correct amount of duty for the consignment, which he has sometimes to pre-pay.

4. The impractical nature of these requirements would be obvious, if it is remembered that spirituous medicinal preparations have different alcoholic strength for each preparation and are packed in bottles of sizes varying from 1 oz. to 32 oz. or more. My Committee submit that, for this reason, private medical practitioners and chemists and druggists who import such spirituous medicinal preparations, not having easy recourse to laboratory tests, find it impracticable to state the different alcoholic strengths of the preparations they require.

In the opinion of my Committee, Excise Departments of the various Provinces are not fully aware of the difference between spirituous medicines and potable spirituous drinks, and therefore wrongly apply the regulations that might hold good in the case of the latter, to the former. It may be mentioned here that potable spirituous drinks, unlike spirituous medicines, are packed in bottles of definite sizes only and are of fixed alcoholic strengths which can be easily ascertained by hydrometer tests.

5. My Committee understand that similar restrictions are imposed in the case of exports. An exporter is required to secure an export permit under conditions which are enforced in the case of import permit, and must export the consignment from railway stations within 48 hours after it is cleared from the bonded warehouse. This latter requirement is often impractical as the consignment has again to be inspected at the Railway Station before despatch by the Excise Officer Railway Lines, who inspects it at his convenience, while the railway authorities do not allow such consignments to remain at their stations for more than 24 hours.

6. Then again, after the consignment arrives at its destination, an equally elaborate inspection procedure awaits it there. The authorities of one province do not accept the certificates of the authorities of another province, and insist upon reanalysis of goods to find their spirit content

and to assess the re-valuation of duty before the consignment is delivered to the consignee. As there are no facilities for such analysis in district places, the procedure necessarily causes serious delay. The consignment until its contents are duly analysed has to be kept in charge of the railway authorities, who demand demurrage charges if it is not cleared within 24 hours.

7. It may be pointed out that the elaborate procedure referred to above regarding the import and export of goods is not the only barrier to the trade. In some provinces, for example the Punjab, the imports of spirituous preparations from other provinces are practically prohibited; while in Bengal, the conditions laid down are so impracticable that they amount to prohibition.

My Committee submit that, as stated in a previous paragraph, the trouble arises from the fact that the same Excise regulations are made to apply to spirituous medicines and toilet preparations as to potable drinks, the various Provincial Excise Departments not recognising the distinction between the two trades.

The liquor traffic is the monopoly of Government and is a controlled trade, only licensed vendors being allowed to sell, whereas the trade in medicinal preparations is free and private trade. My Committee therefore beg to suggest that the Regulations applying thereto should be so framed that they do not impede or restrict trade in any way.

8. The treatment thus received at the hands of the various Provincial Governments by the spirituous medicinal preparations manufactured in India is rendered invidious by the treatment received by those imported from other countries. In the case of these latter, the duty having once been paid at the port of entry, no further restriction is imposed against transmission of the goods from one place to another throughout India. If

imports from countries like Germany and Japan receive such treatment and facility in movement, my Committee feel strongly that it is unjust that Indian medicinal preparations should be denied the same treatment, once the Excise duty on them is paid in the province of export. As a result of this differential treatment, the imported goods get a preference over the indigenous goods in the matter of consumption.

9. My Committee hope that the nature of the inter-provincial barriers to trade has been made clear to Government. The situation calls for immediate remedial measures. My Committee therefore beg to submit following suggestions for immediate and earnest consideration of Government:—

(1) All Excise Rules and Regulations governing traffic in spirit and spirituous medicinal preparations must be uniform in all the Provinces and the Indian States.

(2) The Provincial Governments must trust one another and enter into mutual agreements for the recovery of duty in the provinces of export, the amounts being adjusted in the inter-provincial accounts.

(3) The Excise authorities of one province should accept the certificate of excise duty levied by Excise authorities of another province, and there should be no further inspection of consignments thereafter.

(4) The Provincial Governments must also enter into agreements with the Indian States, of a kind similar to those among themselves.

(5) The Government of India should convene a conference of representatives of the Provincial and the Indian States Governments to discuss and adopt uniform Excise Rules and Regulations to hold good throughout India.

(6) The Provincial and States Governments should always take the trade and Chambers of Commerce, both Indian and European, into their confidence and frame rules in consultation with them, and after due consideration of their difficulties and needs.

10. Lastly, my Committee wish to bring to the notice of Government section 297 of the Government of India Act, 1935, which debars all provincial Legislatures and Governments from passing any law or taking any executive action prohibiting or restricting the import thereinto and exports therefrom of any class of goods or making discrimination in this respect as between goods of one province and of another, by the imposition of any tax, cess, toll, etc.

This section will not, it is true, come into force until the new Government of India Act is brought into operation or this specific section is previously given effect to as a special case; but it would be appropriate, considering the spirit of the section and the exigency of the present situation, for the Government of India to take an initiative in the matter and bring about a coordination of Excise Rules and Regulations on uniform basis throughout British India and the Indian States.

11. My Committee, in conclusion, beg to urge that to start with a Conference of the kind proposed in suggestion No. (5) in paragraph 9 above be called without delay, with a view to discuss in detail this problem of inter-provincial barriers from which those who are engaged in the manufacture and sale of spirituous medicines and toilet preparations in India are at present suffering.

Letter No. 188-E.O. dated 22nd June 1936 from Government of India, Central Revenues, to Chamber.

With reference to your letter No. 795, dated the 19th March 1936 addressed to the Department of Education,

Health and Lands, I am directed to say that the matters to which it relates are all matters that are constitutionally within the control of Local Governments with whose discretion the Government of India have no authority to interfere. The Government of India, therefore, could not see their way to convene a conference to discuss these matters unless invited to do so by the Local Governments themselves. I am accordingly directed to suggest that your Chamber should make its representations direct to the Local Governments concerned.

2. With reference to the statement made in the enclosure to your letter No. 1230, dated the 1st May 1936 that it is believed that collection of excise duty on the country-made alcohol in question goes to the treasury of the Indian Government, I am directed to say that such duty is levied by Local Governments and is therefore credited to the Provincial revenues.

Letter No. 1769 dated 15th July 1936 from Chamber to Government of India.

I am directed to acknowledge receipt of your letter D.A.Dis. No. 188-E.O./36, dated 22nd June 1936. My Committee recognise that the matters to which their correspondence with you on the subject relates, are all constitutionally within the control of Local Governments. They have been feeling, however, for sometime past, that several Provincial Governments with a view either to develop their own industries or with a view to formulate some new policy of their own, have laid down rules and regulations which come in the way of a free and unrestricted trade in medicinal and toilet preparations. These medicinal and toilet preparations have as their base some form or other of alcohol, and the excise rules and regulations therefore affect them. It can only be the Central Government which can assist in setting right all these irregularities and angularities, and it is because of this that my Committee appeal to the Government of

India to have a conference of representatives of the Provincial Governments and the Indian States to enable a coordinated policy to be agreed to, which will be uniform to all. The Provincial Governments under the present constitution have, and will have still more perhaps under the new constitution, a certain latitude and liberty to formulate their own policy with regard to industries etc. While my Committee do not wish for any curtailment of the freedom given to the Provinces to develop their own individuality, they are of opinion that this should not be carried too far and should not come in the way of the development of industries as such for the country. Provincial autonomy implies development of individuality, but not in conflict with any national policy. These Pharmaceutical industries are still in their infancy and need to be carefully fostered and developed. If inter-provincial restrictions are however allowed to continue, they will checkmate their development. Instances, in fact, have been brought to the notice of my Committee, wherein the Local Government has, while discouraging the imports of spirituous preparations from other Provinces, allowed the imports of the same from foreign countries. I am to add in this connection that my Committee have already addressed Provincial Governments concerned in the matter.

Under these circumstances, my Committee hope that the Government of India will be pleased to convene a Conference of representatives of Provincial Governments and Indian States and get some uniform policy adopted by all with regard to their excise rules and regulations.

Letter No. 350-E.O. dated 10th August 1936 from Government of India to Chamber.

I am directed to say that the Government of India are forwarding copies of the correspondence ending with your letter No. 1769, dated the 15th July 1936, to all Local Governments and administrations for such action as they may consider necessary. Beyond this the Government of India regret that they are unable to do anything.

APPENDIX 71

Bombay Rules under the Payment of Wages Act

Letter No. F.I./5115 dated 9th October 1936 from the Commissioner of Labour, Bombay, to Chamber.

I have to enclose herewith a copy of the draft Bombay Payment of Wages Rules, 1936 (*not printed*), published for objections and suggestions in the Bombay Government Gazette Part IV dated the 8th October 1936 and to state that the closing date for the receipt of criticisms is 31*st December* 1936.

Letter No. 3306 dated 22nd December 1936 from Chamber to Commissioner of Labour.

I am directed to acknowledge receipt of your letter No. F.I./5115 dated the 9th October 1936 and to submit hereby the views of this Chamber on the above rules as under :

Rules 1 & 2. The Committee of the Chamber have no views to offer.

Rule 3. My Committee feel that the provision for putting down "father's name" appearing in the heading of column 3 of Form I, would be impracticable to comply with particularly in big establishments. They, therefore, suggest that instead the "ticket number" should be provided for.

Rules 4 to 7. My Committee have no views to offer.

Rule 8. My Committee feel that it would be difficult for most of the big industrial establishments as also small factories to comply with the requirements of this rule, namely of putting up notices of dates of payment for not less than two months in advance of the days on which

wages are to be paid. In some big establishments perhaps the difficulty may not be found so great, as may be experienced in the small factories. My Committee, therefore, recommend that this should be looked into.

In this connection, my Committee also beg to draw the attention of Government to the fact that no provision appears to have been made for altering pay days. In their opinion, factories and establishments who comply with the general provisions of the Act should be permitted to change the pay day by giving previous notice to the Chief Inspector of Factories.

Rules 9 to 13. My Committee have no views to offer.

Rule 14. My Committee are of opinion that the procedure laid down under this rule requires reconsideration. It lays down that any person desiring to impose a fine on an employed person or make deduction for damage or loss shall explain personally to the said person the act or omission or damage or loss in respect of which the fine or deduction is proposed to be imposed and the amount of the fine or deduction which it is proposed to impose and shall hear his explanation in the presence of at least one other person. My Committee suggest that instead of the words "personal explanation" the words "are in writing" be added after the word "personally" and for the words "and shall hear his explanation in the presence of at least one other person" the words "and shall give him an opportunity of submitting an explanation in the presence of a witness" be substituted.

Rule 15. The Committee have no views to offer.

Rule 16 (1). My Committee fail to understand why there should be any exception in the case of an adult woman who causes damage to the work, machinery, etc., or who loses any article entrusted to her. They, therefore, suggest that adult women employees should not be exempted from the operation of this rule.

Rule 16 (2) (c) & 16 (4). My Committee recommend deletion of these rules.

Rule 17. This relates to advance of wages not already earned. The Committee would like to ascertain as to what is the portion of advances against earned wages. My Committee feel that in fairness to industrial concerns the present practice of deducting advances from earned wages should be allowed to continue.

Rule 17 (2). My Committee are of opinion that an advance not exceeding half a month's wages should be recoverable in one instalment and an amount in excess of half a month's wages should be recoverable in two instalments.

Rule 18. Committee have no views to offer.

Rule 19. While agreeing with the provision to put up notices of rates of wages in factories, my Committee suggest that such notices should be displayed conspicuously in the actual department in which the persons are employed.

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IV.—GENERAL TRADE AND INDUSTRY

APPENDIX 72

Clearing Agreement with Germany

Letter No. 2524 dated 2nd October 1936 from Chamber to Government of India, Commerce Department.

The attention of the Committee of this Chamber has been drawn to the serious fall in the balance of India's trade with Germany. It appears that the exports from India to Germany in 1928-29 were Rs. 32.47 crores, and the imports from Germany into India in the same period were Rs. 15.84 crores, the balance of trade being in India's favour by Rs. 16.63 crores. This balance of trade dropped down in 1932-33 to Rs. 1.72 crores against the country, the exports from India being only Rs. 8.65 crores, and the imports from Germany into India being in the same period Rs. 10.38 crores. In 1934-35, the position was further accentuated. The imports from Germany into India in 1935-36 were Rs. 12.35 crores and exports from India Rs. 8.69 crores, the balance of trade being Rs. 3.66 crores against us. (Detailed statistics in respect of commodities entering Indo-German trade are enclosed herewith).

One obvious reason for this serious drop in the balance of India's trade with Germany seems to my Committee to be the Compensation arrangement fixed by the German Government. Germany has in this arrangement divided the different articles into essential and non-essential articles. The arrangement leads, in effect, to compulsorily reducing the exports from this country to Germany, with the result that we have now a disastrous fall in our balance of trade. If the list of articles imported in India from Germany is scrutinised carefully, it will be seen that these articles are of a non-essential nature and India can very well do without them and purchase the same from other countries. There is no reason, therefore, why these articles

should be dumped on this country by Germany, while placing a heavy handicap against our exports to that country. My Committee had addressed Government in 1935 (*vide* pages 315-326, of the Chamber's Annual Report for 1935, a copy of which is forwarded by separate post), bringing to the attention of Government all these defects in the present machinery of trade between Germany and India, and the then President of the Chamber, Mr. Manu Subedar, had drawn the attention of the Hon'ble Mr. T. A. Stewart in an interview which my Committee had with him (*see* pages 478-485, Chamber's Report for 1935 sent herewith). It is the considered view of my Committee that the Government of India should take the present opportunity of Indo-British Trade negotiations to have a clearing agreement with Germany. The United Kingdom has already got such a clearing agreement with Germany (in fact there are 32 agreements Germany has made with other countries) and this is the right opportunity for pressing on the attention of the British Government that India also should have a clearing agreement with Germany. In the absence of such an agreement, India is also suffering heavily in this that, while we have to pay for our imports, there is no facility whatsoever for our exporters to get their payments, as various difficulties and handicaps are placed in the way of remittances being sent out to this country.

APPENDIX 73

Competition of Nasik Distillery with Private enterprise

Letter No. 174 *dated* 29*th January* 1936 *from Chamber to Government of Bombay.*

The Nasik Distillery, which is owned by Government, and worked departmentally, is manufacturing various items like Denatured Spirit, Rectified Spirit, etc., all of which compete with similar products of private enterprise. It is

possible that the distillery on the whole is producing a proper balance sheet in its working; but the complaint of the trade is that the prices at which some of the items are sold are uneconomic and that actually in some cases, my Committee are informed, are lower than even the cost of manufacture.

My Committee are informed that difficulties are being placed in the way of those who seek to import denatured spirit from privite manufacturers by delay in the grant of permits, and in some cases such permits are even refused. If they are correctly informed, my Committee consider such a state of affairs as objectionable.

On the issue of competition of State Departments with private enterprise, business opinion in India has always held that such competition is not desirable and is detrimental to individual enterprise. On numerous occasions Government have assured the mercantile community that private enterprise will not be interfered with by products either of Jail industries or of any other similar State enterprises.

The Committee of the Chamber will be obliged if Government will be pleased to look into the matter and if the complaints are justified, let them know as to what measures Government propose to take to remedy the grievance of the trade.

Letter No. 8241-C/24 dated 28th September 1936 from Government of Bombay to Chamber.

With reference to your letter, No. 178, dated 29th January 1936, regarding the manufacture of denatured and other spirits at the Nasik Distillery, I am directed by the Government of Bombay (Transferred Departments) to state that the manufacture of denatured spirit at the Nasik Distillery was undertaken with a view mainly to helping the sugar factories in the Presidency by consuming their

molasses for which there was practically no market and to safeguarding the Government revenue by preventing this cheap base from passing into illicit distillation. When the supply of the spirit from the Nasik Distillery was undertaken it was anticipated that it would be produced only from molasses, the cheaper base. In practice, however, this anticipation was not realised and manufacture of the spirit was stopped as soon as experience enabled the profit or loss to be assessed with precision.

2. With regard to the allegation that the grant of permits for import of denatured spirit from private manufacturers was either deliberately delayed or, in some cases, even refused, I am to state that a similar complaint was previously made regarding excise officers in the Surat District, but the complaint was not verified. Unless specific complaints are made it is impossible for Government to deal with a general allegation.

3. As regards the production of other spirits at the distillery I am to observe that they are manufactured at economic cost and there is no intention of fixing an uneconomic selling rate in order to compete with private enterprise.

Letter No. 2799 dated 31st October 1936 from Chamber to Government of Bombay.

I am directed to acknowledge receipt of your letter No. 8241-C/24 dated the 28th September. My Committee are glad to note that the manufacture of denatured spirit is now practically stopped at the Nasik Distillery as the anticipation that it would be produced from molasses, the cheaper base, was not realised and there was a loss to Government in the working. Your letter under reference does not make any mention of rectified spirit, reference to which was made in the letter of my Committee dated the 29th January 1936. My Committee are informed that the manufacture of rectified spirit is being continued even now.

Rectified spirit is being sold at Re. 1/2 per gallon and is being supplied at this rate to Government Medical Stores and Hospitals. Manufacturers like the Alembic Chemical Works Co., are not, under the present circumstances, able to sell rectified spirit at this rate or something near it as it is not considered to be an economic price. Government themselves are selling at Rs. 2/4 per gallon to the market which shows that the economic price cannot be Re. 1/2 and that there may be some truth in the allegation that it is being sold at Re. 1/2 only to make private competition impossible.

My Committee beg, therefore, to suggest that Government should not enter into such a competition with private manufacturers and sell rectified spirit at a price which is not considered an economic price by the latter. If the sale of denatured spirit is stopped, the manufacture of rectified spirit should also be stopped or it should be sold to Government Stores and Hospitals only at a price which may be called an economic price, an index to which is afforded by the price at which Government are placing the stuff on the market.

Letter No. 8241-C/24 dated 27th January 1937 from Government of Bombay to Chamber.

With reference to your letter, No. 2799, dated 31st October 1936, I am directed by the Government of Bombay (Transferred Departments) to invite your attention to paragraph 2 of my letter, No. 10075-C/24, dated 29th August 1928 and paragraph 3 of my letter, No. 8241-C/24, dated 28th September 1936. As regards the complaint of your Committee that the price of Re. 1-2-0 per gallon at which rectified spirit of 65° O.P. is sold to the Government Medical Stores, Bombay, is uneconomic I am to observe that the price covers all the cost of manufacture plus a reasonable profit to the distillery.

APPENDIX 74

Medical and Surgical requirements of Bombay Hospitals and purchases abroad

Letter No. 1520 *dated* 17*th June* 1936 *from Chamber to Government of Bombay, General Department.*

My Committee are informed that the Surgeon-General with the Government of Bombay has issued a circular to all the Civil Hospitals in the Presidency instructing them to order out their medical and surgical requirements from the Surgical Manufacturing Co. of London. My Committee will be obliged if you will be good enough to let them know if this information is correct and if such a circular has been issued by the Surgeon-General.

My Committee believe that under the Stores Rules of the Government of India, which have been subscribed to by the Government of Bombay, such a circular is not in order as it would be going against the spirit of patronising Indian industries. They, therefore, think that the information received by them may not be correct. However, they are awaiting a reply from you on this question.

Letter No. 1462/33/*B dated* 28*th August* 1936 *from Government of Bombay to Chamber.*

With reference to your letter No. 1520, dated the 17th June 1936, I am directed by the Government of Bombay (Transferred Departments) to inform you that the Surgeon-General with the Government of Bombay has issued instructions to all Government Medical Officers to obtain all surgical instruments, excepting instruments used in genito-urinary surgery, required by them from the Surgical Manufacturing Company, Limited, London, which has been given the contract for such supplies for the financial year 1936-37. I am to add that, before the contract was given, tenders were invited by public advertisement in Bombay,

and that the rates quoted in the tender of the Surgical Manufacturing Company were found to be about 42 per cent lower than those in the next lowest tender.

Letter No. 2522 dated 1st September 1936 from Chamber to Government of Bombay.

With reference to your letter No. 1462-33-B, dated 28th August 1936 regarding the above, I am directed by the Committee of this Chamber to request Government to be pleased to let them know as to how many tenders were received from Indian firms.

Letter No. 1462/33/B dated 7th November 1936 from Government of Bombay to Chamber.

With reference to your letter No. 2522, dated the 1st September 1936, I am directed by the Government of Bombay (Transferred Departments) to state that two tenders for the supply of surgical instruments for Government Hospitals in the Bombay Presidency in 1936-37 were received from Indian firms.

APPENDIX 75

Restrictions on imports of African Cashewnuts

Letter No. 2334/33-D dated 21st May 1936 from Government of Bombay, Finance Department, to Chamber.

I am directed to forward herewith copies of letter No. 99-T(1)/36 dated 13th April 1936 together with its accompaniments, on the subject noted above, and to request that the views of your Chamber in the matter may kindly be communicated to this Department at an early date.

Letter No. 99-T(1)/36 dated 13th April 1936 from Government of India, Commerce Department, to Government of Bombay.

I am directed to forward copies of two letters from Mr. D. S. Murty, Narasapur, dated the 28th February and

3rd March 1936, respectively, on the above subject, and to request that the Government of India may kindly be furnished with the views of the local Government in the matter.

Copy of a letter dated 28th February 1936 *from Mr. D. S. Murty to the Commerce Member, Government of India.*

In 1922, the Government of India had levied a duty of two rupees per candy on imported quantities of African Cashewnuts, and as the industry has been then still in nourishing condition, for supplies of raw material from other sources, some members of our cashewnut trade at Mangalore, have taken the initiative to approach the Government to cancel the duty on this raw material. The Government had liberally complied with our requisition, and the merchants during these past four years have built up their trade to such an extent that it has gained to such an international importance that New York buyers are now constantly visiting Indian shores and have made some of their representatives to settle in India with a certain object to monopolize the trading condition of this lucrative industry to their entire importing benefit at the cost of the Indian producers.

2. With this object in view, last year cashewnut crop in Goa has been made a controlable article of the Portuguese Government and thus deprived the other Indian subjects of the trade at other places not to take advantage of the low prices and made the Agriculturists to suffer heavy losses. We have assisted the Agriculturists, and have at last succeeded to make the Government to withdraw such restrictions.

3. This year, they have imported very large quantities of African raw material at a high price at 45 rupees per candy and accumulated large stocks to kill the rising tendency of the price of the country crop and they are now dictating to purchase the crop at 30 rupees a

Candy and the poor Agriculturists who have been already yoked with heavy indebtedness although they are conscious that such a policy is detrimental, and to evade it, to keep back the goods for a longer period is the best remedy, yet they could not make a stand in the field with a big capitalist.

4. The Agriculturists are very backward to chalk out the ways and means to get over the situation, and the ring of exporters who have made their connections with such capitalists, are silent, lest the business will be withdrawn and the dumbing flock of producers are actually weeping for cruel treatment in prices, with motives, and having not found the way out, I have at last ventured to write you on this subject.

5. Whilst Indian raw material is available in abundance almost at the equal price of other imported material, there is no reason why a Indian shipper should encourage by importing foreign material; and it cannot be said that the quality is good and the sources of supply in India are poor. Under such circumstances, the moral force in the manufacturer is not enough to protect his national interest therefore I am of the opinion that the Government of India should at once levy an export duty of 15% on the finished product of African produce and if this done, the country produce will be preferred for future trade and on the imported quantity, the Government may derive an annual central revenue of three lakhs of rupees which amount may be utilised for construction of national recovery of this blooming Industry.

6. I shall be too glad to furnish your honourable house any other information, as your Honour may deem it necessary and for any act done with a view to benefit the Indian produce will be solemnised as an eternal doing and I shall be ever in duty bound to such acts in your House.

7. Should your honour be pleased to refer the Customs' records of the past four years, and a comparative

study of the prices will enlighten your goodselves that the prices are in right declination instead of being in gradual rising tendency, and this course of tendency is chiefly due to monopolistic trade policy of certain foreign firms which ought to be set right even at this stage.

8. With good esteem towards your house and in the meanwhile awaiting your favourable views, how your goodselves view our suggestion, I beg to remain.

Copy of a letter from Mr. D. S. Murty, African Cashewnut Importer, dated Narasapur the 3rd March 1936, to the Finance Member, Government of India, Delhi.

With due respects, I have the honour to inform you that cashewnuts shelling Industry in India has now assumed such a big importance that at present its annual volume is of fifty lakhs of rupees.

The necessary raw material is imported from Foreign countries as Africa at concession freights as Eighteen shillings a ton from Portuguese African ports to Cocanada. Although raw material is available for the entire industry in India from Malabar and Ratnagiri Districts yet owing to the fact that the coastal line of Steamer has quoted higher freights than foreign vessels the traffic in India is very dull; and foreign vessels are earning twenty thousand pounds in three months.

The chief reason why the concession rate is not granted between Coastal ports as I presume is that B. I. S. N. line of steamers having been plying in both African ports and Bombay and as well as in the coastal traffic they have tactfully obstructed others with a view to enjoy the entire monopoly of carrying goods from African ports to Bombay by their own vessels and the income thus earned should be their own account; and if this is turned to coastal lines, the other lines also may take part in the dividends. Although we have tried our level

best to request them to give us concession rates between coastal ports they paid a deaf ear to our requisitions and gave room for development of foreign trade in the raw material. Thereby the source of Indian revenue either by railways or coastal vessels have been curtailed and this method of doing business is now killing this trade. At this stage if export duty is levied on the finished product of foreign raw material the Indian produce will be imported by trains or traffic by coastal vessels will automatically increase and the income thus derived will no doubt be a good asset of the Indian Government. At present the raw material available in India is more than enough to cope with the present demand of the continent of U.S.A.

Under the above circumstances there is no reason why foreign imports should be encouraged; and why this should not be stopped by legal measures of the Country.

As this industry has been started in Goa if import duty is levied, goods for direct entry into Goa port may be exempted by Portuguese Government for goods exported from their ports inasmuch as exported duty on the finished product of foreign raw material only should be levied to revive the lost traffic and to reserve the trade in view of National interests.

I shall be too glad to furnish you any other information as you may require, should your esteemed honour be pleased to consider our proposal and do the needful at an early date.

Letter No. 1508 *dated* 12*th June* 1936 *from Chamber to Government of Bombay, Finance Department.*

I am directed to acknowledge receipt of your letter No. 2334/33-D dated the 21st May 1936 together with its enclosure in regard to the proposed restrictions on imports of cashewnuts into India from Africa and exports of finished African cashewnuts from India to foreign countries and to submit the views of the Committee thereon as under:

The Committee have carefully considered the suggestion from a merchant from the South to the Government of India from both the points of view, namely

(1) the effect of imported cashewnuts on cashewnuts produced in India; and

(2) the effect of the proposed restrictions on the export trade in cashewnuts.

The Committee find that there are no official statistics available regarding import, export and production of cashewnuts and hence the task of giving their opinion on the suggestions placed before them becomes difficult. They have, however, had the benefit of views of merchants interested in the import and export trade of cashewnuts as well as merchants engaged in preparing cashewnuts for export to foreign countries. It is estimated by these merchants that the import of cashewnuts from Africa averages about 3 lakhs of bags of cashewnuts, one bag being equal to 4½ Cwts. The production in India itself is put down at between 4 and 6 lakhs of bags while the export, which goes principally to the United States is calculated at 6 lakhs of bags. All these figures, my Committee may be allowed to state, are more or less rough estimates by people engaged in the line and cannot be taken as accurate as the statistics in Blue Books. They, however, give more or less a rough idea as to what is the position of the cashewnuts industry.

My Committee are informed that the import of cashewnuts from Africa does not affect the price of Indian produce specially as the seasons for the African and Indian cashewnuts are different. The cashewnut industry specially for export purposes is more or less a new industry and that already it has made itself felt as a thriving industry engaging a large number of men. The export trade, my Committee are informed, amounts every year to over sixty lakhs of rupees. If any steps are taken at present either with a view to curtail the imports or to restrict the exports

of prepared African cashewnuts, the industry might be affected adversely without benefiting anyone.

Under the circumstances, my Committee are of opinion that no action need be taken at present with regard to the suggestions forwarded to Government by a gentleman from the South. They would, however, suggest to Government to watch the market and to see if, in future, imports from Africa affect adversely the local production, in which case it might be necessary to take some action. For the present, however, no action appears to be necessary.

APPENDIX 76

Insurance rates for Mofussil Mills

Letter No. 1227 *dated* 1st *May* 1936 *from Chamber to the Bombay Fire Insurance Association.*

The attention of the Committee of this Chamber has been drawn to the disparity in premia charged by Insurance Companies for Ahmedabad and Bombay Mills. For instance, in Ahmedabad, the Insurance Companies levy extra premia for electric lights, which, my Committee understand, is not in force for Bombay Mills. This extra charge for electric lights, my Committee further understand, is levied not only on mills working night shift, but also on mills working day shift.

My Committee are informed that these extra charges levy uncalled for and undue burden on and adversely affect the Ahmedabad mill industry, particularly in the present depressed condition. I am, therefore, directed by my Committee to request your Association to remove this extra charge and place the Ahmedabad mills on the same level as the Bombay mills as regards insurance premia.

Letter No. 3540/4 *dated* 17*th June* 1936 *from the Secretary, Bombay Fire Insurance Association to Chamber.*

I refer to your letter No. 1227 of the 1st ultimo, and am directed to inform you that the extra for electric lights

has already been exempted from the 50 per cent loading for night work.

My Committee have given the matter their careful consideration and they have decided to remove the extra charge for the use of electric lights in the case of Mofussil Mills.

They have, however, fixed an additional rate of 1 anna per cent for fireproof and 2 annas per cent for non-fireproof mills where the electric light and/or power installation is not in accordance with this Association's Rules.

APPENDIX 77

Jangad Business in Diamond Trade

Letter No. 3178 *dated 7th December* 1936 *from Chamber to the Secretary to the Government of India, Legislative Department.*

I am directed by the Committee of this Chamber to address you in connection with the representation dated 20th November 1936 of the Bombay Diamond Merchants Association to the Hon'ble the Law Member with reference to the serious difficulties experienced by the trade on account of the recent decision of the Hon'ble the Chief Justice, Bombay High Court, in Criminal Appeal No. 413 of 1935.

My Committee have carefully perused the said representation and feel that the difficulties that the Association has brought to your notice therein are serious. The said decision of the Chief Justice has disorganised to a large extent the diamond business. My Committee beg to endorse the opinion of the Association that the interpretation put by the Chief Justice on the term "Jangad"

business goes counter to the accepted usage and custom not only of the Diamond trade, but other trades also. The correct view of every "Jangad" transaction, my Committee submit, is that the transaction is purely one of entrustment for specific purpose of inspection and the property in the goods so entrusted remains in the owner until a bona fide sale is effected with the consent of the owner. The position, before the said decision of the Chief Justice in the diamond trade was that if either a middleman or a broker misappropriated the property thus placed in his hands on "Jangad" basis, or hypothecated the same, he was liable to be prosecuted and tried for offences under Section 406 of the Indian Penal Code. This position is now entirely changed in view of the said decision of the Chief Justice.

My Committee greatly sympathise with the position in which the diamond trade finds itself at present in view of the said decision and feel the urgent necessity of finding out a satisfactory solution. The Diamond Merchants Association has in its representation requested that the law about "Jangad" should be carefully considered in all its aspects and Section 24 of the Indian Sale of Goods Act should be so amended or modified as to embody unequivocal recognition of the connotation of the expression "Jangad" as recognised in the diamond and other trades. My Committee beg to support this request of the Diamond Merchants and trust that Government will be pleased to give sympathetic and favourable consideration to this reasonable request of the Association and Section 24 of the Sale of Goods Act defining the term "Jangad" on the lines sugggested by the Association.

APPENDIX 78

Second Annual Report of the Lancashire Indian Cotton Committee (1935)

Letter No. 719 dated 11th March 1936 from Chamber to the Secretary, Lancashire Indian Cotton Committee.

The Committee of this Chamber have considered the Second Report of the Lancashire Indian Cotton Committee for the year 1935, which accompanied your letter of the 27th January 1936, and I am directed to express their views hereby regarding the same.

My Committee recognise that Lancashire has taken more cotton than in previous years, but whilst there has been a progressive increase in the last three years, the total quantity taken is hardly sufficient to make an impression on the balance of Indian cotton available for export. My Committee are also informed that the increased purchases of Indian cotton by Lancashire may mainly, if not solely, be attributted to favourable parity with comparable cotton abroad. It appears, therefore, that the recent increase in offtake of Indian cotton by Lancashire hardly requires any special mention or appreciation. It should, moreover, be remembered that in 1934-35 Japan took nearly 2 million bales of Indian cotton against Lancashire purchases of 347,000 bales. The contention advanced by the Lancashire Indian Cotton Committee that, besides cotton, the United Kingdom is a large buyer of other agricultural products of India, cannot carry conviction as substantial consideration for India to absorb larger quantities of Lancashire piece-goods. My Committee cannot help pointing out that apart from Lancashire piece-goods, India has for some generations now been a very lucrative market for the various products of the numerous industries of the United Kingdom. It may also not be out of place to mention that apart from the substantial tangible benefits derived by the United Kingdom industries and trade in their total trading

relations with India, India provides employment for thousands of United Kingdom subjects, in some cases to the admitted detriment of educated Indian youths whose increasing difficulty in finding employment in their own country has created one of the most difficult problems for our country.

My Committee trust that the Lancashire Indian Cotton Committee will not rest content with the increase in purchases of Indian cotton in 1934 but will make strenuous efforts to reach a respectable figure which might ultimately result in evoking a better response from this country.

APPENDIX 79

Proposed new Cinema Theatre by an American Company

Letter No. 1963 *dated* 31*st July* 1936 *from Chamber to the Commissioner of Police, Bombay.*

It has come to the notice of the Committee of this Chamber that a large plot of ground has been selected between Dhobi Talao and Marine Lines Station for sale to an American Company, viz., Messrs. Metro Goldwyn Mayer, Ltd., for the purpose of the erection of a cinema theatre. Government cannot be unaware of the fact that the cinema theatres in the City are already too many for the population. Any additional theatre, therefore, will be in adverse competition to the existing theatres. The proposed new theatre is again going to be constructed by an American company, which means a foreign company, and there is no reason why permission should be accorded to them for the construction of a theatre which will thus be harmful to the interests of Indian cinema theatres already existing. The Motion Picture Society of India has, my Committee are informed, protested against "this threatened invasion by a foreign concern upon the exhibition branch of the film industry, by building up key theatres in capital cities in this country". This resolution of protest, coming from

a body concerned with the cinema industry in the country, should be carefully considered; and my Committee hope that under the circumstances you will be pleased to exercise the powers vested in you under Section 22 (*f*) (i) of the Police Act and not allow license to the proposed new theatre.

Letter No. 4543/T *dated* 15*th August* 1936 *from Superintendent of Police to Chamber.*

With reference to your letter No. 1963, dated the 31st ultimo, on the subject noted above, I am directed by the Commissioner of Police to inform you that as it does not appear to him that the proposed new cinema is likely to cause any obstruction, inconvenience, annoyance, risk, danger or damage to the residents or passers-by in the vicinity, and as the Police are not concerned with the business aspect of the matter, permission has been granted to the applicants to erect a cinema at the site.

APPENDIX 80

Commerce Colleges outside Bombay City

Letter No. 271 *dated 7th February* 1936 *from Chamber to Vice-Chancellor, Bombay University.*

The attention of the Committee of this Chamber has been drawn to the proposals which are before the University of Bombay for affiliation of some colleges in the mofussil for commercial education. My Committee are glad to note that the Senate has decided to recognise the newly proposed college in Ahmedabad for purposes of affiliation for commercial education. Arguments appear to have been put forward, as reports in the Papers show, that it is not necessary to affiliate any other outside colleges, while there is the Sydenham College of Commerce in Bombay coaching up students in commercial education. My Committee consider that commercial education is an extremely

important subject and needs to be spread out on as wide a basis as possible. Youngmen of present day appear to be taking more and more to it, as evidenced from the fact that a large number of students cannot get admission to the Sydenham College of Commerce, which admits only a limited number. There are several private commercial institutions and these are also well patronised. There is no reason, however, why there should be a sort of a monopoly created with regard to the Sydenham College of Commerce, specially if institutions in the mofussil are started with a cadre of professors with as good qualifications as those of the Government College professors. It must be admitted that upto recently businessmen were not much prone to giving any preference to men with specialised education. They are, however, coming more and more to recognise that these are days of specialists and preference is being freely given to youngmen who have specialised in some branch or other of trade and commerce, or have even taken the general commercial education. Full advantage must be taken of this tendency among businessmen and industrialists and institutions must be there to train up youngmen in subjects which are useful for trade, commerce and industries.

It is rather surprising to see that while the establishment of new Arts Colleges in the Presidency has been welcomed, objection is being taken to the establishment of Commerce Colleges outside the City of Bombay. In fact, an undue literary bias is being given to the present day education, whereas in an industrial and commercial Presidency like Bombay the bias should rather be one of commercial and technical education.

In the opinion of my Committee a Commerce Graduate does not receive a less liberal education culturally also than an Arts Graduate.

Looking to these facts, my Committee hope that the Senate will be pleased to look at the question of affiliation of commercial colleges with spmpathy and consideration.

APPENDIX 81

Dates of Publication of Official Cotton Forecasts in India

Letter No. 1184 *dated 2nd November* 1936 *from the Secretary, Indian Central Cotton Committee to Chamber.*

I have the honour to say that in connection with the question of the improvement of the accuracy of the cotton forecasts of India which has been engaging the close attention of my Committee, it is desired to ascertain whether the dates adopted at present for the publication by the Director-General of Commercial Intelligence and Statistics, Calcutta, of the five all-India (consolidated) cotton forecasts each season require any change in the light of the prevailing sowing and harvesting periods in the different cotton tracts of India and I am accordingly to invite the views of your Chamber in the matter. The current prescribed dates for the publication of the all-India cotton forecasts are given below:—

Name of all-India (consolidated) cotton forecasts published by the Director-General of Commercial Intelligence and Statistics.	Prescribed date for publication.	Remarks.
1st Cotton forecast	August 15	Estimates of area only.
2nd ,, ,,	October 15	,, ,,
3rd ,, ,,	December 15	Estimates of both area and yield.
4th ,, ,, (Final General Memorandum)	February 15	,, ,,
5th ,, ,, (Supplementary Memorandum)	April 15	,, ,,

It may be mentioned that commencing with the cotton forecasts of 1935-36 season provincial and all-India cotton forecasts are being released for publication simultaneously.

Letter No. 3318 *dated 22nd December* 1936 *from Chamber to the Central Cotton Committee.*

With reference to your circular letter No. 1184 dated the 2nd November 1936, I am directed by the Committee

of this Chamber to inform you that they have no views to offer regarding the dates adopted by the Director-General of Commercial Intelligence and Statistics, Calcutta, at present for the publication of the five All-India Cotton Forecasts. They are, however, of the opinion that these five forecasts should indicate, as in the American Bureau Reports, the exact date upto which the forecast report relates and that expressions such as "at the end of July or early August", "upto the beginning of December" etc., should be discontinued.

———

V.—GENERAL

APPENDIX 82

Voting rights to Association Members in Commerce Constituencies

Telegram dated 26th June 1936 *from Chamber to Government of India, Reforms Department.*

"Hammond Committee paragraph 432 presupposed and recommended continuation franchise to affiliated associations of constituent bodies forming commerce constituencies. Doubts expressed paragraph seven part three and corresponding paragraphs other parts Provincial Legislative Assemblies Order do not enfranchise Association-Members of constituent bodies. Most of these Associations by the very nature of their organisation neither incorporated nor have capital as such. Request Government look into matter and clarify position. If case of such Associations not covered by Order submit that in view of Hammond Committee recommendation such omission due to oversight and accidental. If such important Association-Members are deprived of votes respectfully submit would be hardship and cause great discontent. Request representation to Secretary of State pointing out lacuna in the Order and urging necessary supplemental provision. Attention drawn Government of Bombay also."

D. O. Letter No. 1603 *dated 26th June* 1936 *from the Secretary of the Chamber to Sir Nripen Sircar, Law Member to Government of India.*

With reference to the conversation I had with you over the 'phone this morning, I am sending to you herewith a copy of the telegram my Chamber has addressed to the Government of India, Reforms Department, yesterday regarding the omission of provisions in the Government of India

Provincial Legislative Assemblies Order for enrolment of Association-Members of constituent bodies forming Commerce and Industry constituencies as voters of the Provincial Legislative Assemblies. Most of the Chambers forming such constituent bodies have several affiliated Associations paying regular subscription and exercising the privileges and obligations of the membership in common with the rest of the members. As a matter of fact, in all respects, they are treated as regular members. The Hammond Committee in para 432 of their Report, which I am quoting below, made the following observations in regard to representation of such affiliated Associations:—

> "432. There is yet another matter to which attention must be drawn. In provinces, such as Madras, where, out of a number of bodies clamouring for recognition, we have been constrained to pick out as most suitable, one particular association, the question arises what is to be the position of the excluded bodies? While a few of them already enjoy affiliation to the selected chamber, the interests of trade and commerce demand that no bona fide trade association should be refused admission. This we particularly mentioned, for instance, to the Southern India Chamber of Commerce, Madras, which under our recommendation is a commerce constituency. In compliance with our suggestion, this Chamber has undertaken so to alter its Memorandum of Association as to give every opportunity for the affiliation of other bona fide commercial organisations.
>
> The affiliated associations *ex hypothesi*, are relatively less important bodies,—possibly, in some cases consisting of retail traders, as distinguished from those engaged in wholesale business; but a single affiliated body may so inflate its membership as to swamp the constituency. It is therefore essential that there should be adequate provision against the flooding of a constituency. In fact, the rules of the parent chamber and of those affiliated bodies, present great divergence in regard to admission and membership

fees, the latter being much lower in the case of the affiliated bodies. It is open to individual members of the affiliated bodies, if they so desire, to become members in their own right of the central chamber. We therefore strongly recommend that no association affiliated to a chamber which forms the whole, or part, of commercial constituency shall have more than one vote."

Unfortunately, the Government of India (Provincial Legislative Assemblies) Order, 1936, does not contain any provision implementing the above recommendation of the Hammond Committee, with the result that such affiliated associations are now disenfranchised. The submission of my Chamber is that this omission was perhaps through oversight. We have, therefore, requested the Government of India to be good enough to send an urgent message to the Right Honourable the Secretary of State for India with a view to getting this omission rectified, as otherwise it would be very unfair and unjust to all the affiliated associations representing different trade interests. You will be good enough to give your valuable support to our representation when you reach Simla.

Letter No. R-154-III dated 23rd July 1936 *from the Chief Secretary to the Government of Bombay to Chamber.*

With reference to the representation made by your Chamber to the Government of India on the above subject, I am directed by the Governor in Council to state that the Government of India have carefully considered the question of the affiliated associations of constituent bodies to vote in a Commerce constituency. It is clear that if it were decided to give the vote to such associations, an amendment would be needed of the Provincial Legislative Assemblies Order, 1936. I am to state that in view of the already advanced stage of electoral preparations and the time which would be involved in obtaining the approval of both Houses of Parliament to an amendment of the Order in Council the Government of India do not propose now to take action in that direction.

APPENDIX 83

Revision of the Constitution of the Federation of Indian Chambers of Commerce and Industry

(NOTE:—*The draft of the revised Constitution is not printed here. The same can be referred to in Chamber's file R. 96 of 1936. The following views on the draft were communicated on 28th October 1936*).

Suggestions and Observations of the Committee of the Indian Merchants' Chamber on the draft Constitution of the Federation as proposed by the Committee of the Federation.

Views of the Committee of the Indian Merchants' Chamber.

Rule No.*

1, 2 & 3 The Committee approve of the same.

4 Amongst the objects "Encouragement to Indian Banking, Shipping and Insurance" should be specifically mentioned.

6 Retain as it is.

6 (*b*) The Committee suggest deletion of this altogether.

6 (*c*) The Committee suggest that the following should be added :—

"Provided that if an application be rejected, the applicant shall have the right to request the Committee to place the application before the General Body and with a vote of two-thirds of the members present, the applicant can be admitted as a member."

6 (*d*) To be retained as it is.

*These numbers are those in the draft Constitution of the Federation, as drafted and approved by the Committee of the Federation in July 1936.

Rule No.

7 The following rule be substituted for Rule 7:—

"The annual subscription of each member of the Federation shall be based on the following scale with a minimum and maximum of Rs. 125 and Rs. 500 as subscription and with a minimum and maximum of 2 and 8 delegates respectively.

In the case of each Chamber or Association the following units shall be fixed for purposes of subscription:—

Membership ..	One unit for every 50.
Subscription ..	One unit for every Rs. 50 (*Note.*—½ unit for Rs. 25 and ¼ unit for Rs. 12).
Standing ..	One unit for every 10 years of the life of the Chamber or Association.

These units should be added and the subscription per each of the resultant units shall be Rs. 30." (*See* Note, Page 4, explaining the working of the new rule.)

8 To be retained as it is.

9 (*a*) and (*b*) To be retained as they are.

9 (*c*) Add "by three-fourths majority" after the word "finding" in line 1.

9 (*d*) & (*e*) To be retained as they are.

10 (*a*) To be retained as it is.

10 (*b*) Instead of the words "at least one-third" appearing in the third line, the words "at least five members" should be substituted.

11 To be retained as it is.

12 (*a*) Instead of the present rule 12 (*a*) the following new rule be substituted:—

"Each member shall be entitled to nominate at the rate of one delegate for every resultant two units in accordance with the provisions of rule 7 with the minimum of two delegates and maximum of 8 delegates to attend the annual meetings of the Federation."

Rule No.

12 (*b*) & (*c*) To be retained as they are.

13 & **14** To be retained as they are.

15 (*a*) (i) Retain as it is.

15 (*a*) (ii) Instead of the words "40% of the ordinary members" the words "10 ordinary members" be substituted.

15 (*b*) (i) & (ii) To be retained as they are.

16 to **21** To be retained as they are.

22 (*a*) & (*b*) Retain as they are.

22 (*c*) Delete.

23 Instead of the word "five" the word "three" be substituted in the last line.

24 to **28** To be retained as they are.

29 Delete the words "nor shall any of the Bye-laws and Standing Orders be altered, rescinded or added to without such notice."

30 to **33** To be retained as they are.

34 Delete.

35 (*a*) Instead of 35 (*a*), the following be substituted:—

"The Rules and Regulations shall be printed and copies of the same forwarded to all members and no alteration or addition shall be made therein or thereto, unless notice of the same has been given first to the Committee which shall send them on to the General Meeting for final decision with such recommendations as they deem fit."

Rule No.

35 (*b*) Delete the whole of second sentence beginning with "for this" etc.

APPENDIX A.

1 to **8**. To be retained as they are.

9 The following be substituted for 9:—

"At all general meetings of the Federation—whether Annual or Special—questions shall ordinarily be determined by a majority of votes of the delegates present and voting."

APPENDIX B.

1 Instead of draft rule 1, the following be substituted:—

The Committee shall consist of the following members:

President Vice-President One Treasurer 12 Members	All elected.

6 to be co-opted by the elected Committee.

21 (*Vide* Note, Page 6, explaining the necessity of this substitute rule).

2 With regard to the qualifications of candidates, the Committee suggest that no change is necessary and the present practice governing the same should be continued.

3 & 4 To be deleted consequential to rule 1.

5 (*a*) After the word "President" in line 5, add the word "Vice-President."

5 (*b*) & (*c*) To be retained as they are.

6 to 10 Retain as they are.

11 Drop.

12 (*a*) Delete the word "next" appearing in the second line.

12 (*b*) Delete altogether.

13 Delete.

Rule No.

14 Omit the words "actively engaged in commerce."

15 To be deleted.

16 (*a*) Omit the words "or electing the Vice-President" in line 2.

16 (*b*) Retain.

17 to 19 Retain them as they are.

J. K. MEHTA,
Secretary.

Note on the draft amendments proposed by the Committee of the Indian Merchants' Chamber to the draft rules of the Federation of Indian Chambers of Commerce and Industry with regard to membership, annual subscription, etc.

The Committee of the Indian Merchants' Chamber have long since been feeling that rules relating to membership of the Federation of Indian Chambers of Commerce and Industry require a radical revision and amendment. They take this opportunity of the general revision of the rules and regulations to propose the accompanying draft amendment.

They may take the opportunity here of reminding the Member-bodies of the Federation that before the Federation was established the Indian Commercial Congress was holding its sessions. At that time there was no restriction as to the number of delegates and the Chamber of Commerce of the place where the Congress was held sent up a large number of delegates. The idea, however, at the time was to apportion the number of delegates according to the importance of the Chambers though ultimately the idea did not take shape. Looking to the developments that have taken place in the constitution of the Federation, it must be said that time has now come to review the constitution as a whole and to consider how the constitution must be altered and modified in view of the experience we have derived from the working of the Federation. In the first place the present practice of assigning four delegates to each

Member-body to attend the annual session is both unfair and inequitable. The 57 bodies which constitute the Federation are not equal in importance regarding the number of members or the scale of subscription, or standing in terms of years of existence. As matters stand at present all these factors are entirely ignored. The Associated Chambers of Commerce—British—India have got a different practice, which is that the number of votes of each Chamber of Commerce is different and a senior Chamber like the Bengal Chamber enjoys 20 votes, Bombay Chamber enjoys 16 votes, while several other Chambers enjoy 12 votes and minor Chambers enjoy 4 votes each. A similar practice is followed by the Federation of British Industries and the Association of British Chambers of Commerce etc. A body like the Federation of Indian Chambers of Commerce and Industry cannot have, in the very nature of things, rules regarding membership the same as in Chambers of Commerce or Commercial Associations. The Federation is an Association of Associations and not an Association of individual merchants and firms. It is of course difficult to decide how the number of delegates should be assigned to each Chamber or Association Member as also how to fix a graduated scale of subscription. The fundamental question is how to regulate the membership fees and the number of delegates for each individual body so that there may be no unfairness and inequality and due consideration may be given from all points of view to the Chamber and Association members. There are Member-bodies which have a large number of members. There are other Member-bodies which, by their very constitution and nature of business, cannot have more than a dozen or so members. Thus, for example, the Steamship Owners' Association or the Salt Association or the Insurance Association, cannot have by the very nature of things more than a dozen or so Member-bodies which have been established since 30 years or more while there are others which have been organised and established since the last few years. All these factors must be taken into consideration, in the opinion of the Committee of the Chamber, in formulating the rule regarding membership.

The financial condition of the Federation again is far from being bright or satisfactory as evidenced by the recurring annual deficits. The Committee of the Chamber think that there will be still numerous calls upon the resources of the Federation in the near future on account of the political and economic changes which are being effected in the country. The Committee of the Federation appear to have realised this as the draft rule 12 (*a*) reads as follows:

> "12(*a*). Each Member-body shall be entitled to nominate 4 delegates to attend the general meetings of the Federation or such other larger number of delegates as may be permissible by a resolution of the Federation fixing the basis of a higher annual subscription."

The Committee of the Federation apper to have thus visualised increasing the number of delegates as well as increasing the annual subscription.

The main factor which emerges from all these considerations is that if the subscription and the number of delegates are to be fixed fairly and equitably, the number of members and the annual subscription and the life of the institution must be the three main factors in deciding how many delegates each Chamber or Association member should have as also what rate of subscription should be paid by them.

The Committee of the Chamber have drafted their amendment after taking into consideration all these factors. Take first the membership. It varies from so small a number as about 8 or 10 in case of special trade organisations to 500 to 600 in case of some Chambers of Commerce and Associations. A reasonable unit would appear to be 50 in case of membership.

In the case of subscription, it also varies from Rs. 12 or Rs. 15 to Rs. 100 or more in case of some. Here also the unit of 50 appears to be fair.

With regard to the standing of a member, its life appears to be the only evidence which can be reasonably

accepted, and for this purpose 10 appears to be a fair and reasonable unit. Taking these units and adding them up for different member-bodies will enable us to fix their number of delegates, and subscription in a fair and equitable manner.

They have explained how this amendment will work in actual practice and they have also prepared a few instances, page 6, which they append herewith for your information and guidance of the units for several institutions, their subscription and the number of delegates. From these instances it will be seen that while some organisations will pay the minimum subscription of Rs. 125 others will pay more with the maximum subscription of Rs. 500. There is a minimum and maximum fixed for the number of delegates also; some Associations and Chambers having two, while others having more and some having six or seven. At the same time there should be no apprehension on the ground that the number of delegates or member-bodies in cities like Calcutta and Bombay will be so preponderant as to swamp others. In fact our calculation shows that the number of delegates will be less and not more collectively, while the total amount of income to the Federation will be more, but the burden will be borne by those member-bodies which will be in the best position to bear it. If the Federation is in want of funds and has an alround increase in subscription it will mean a burden even on those bodies which will not be able to bear it, while a graduated scale of subscription according to what is given in the accompanying amendment, will regulate the burden according to the means and capacity of different member-bodies. The Committee of the Chamber have devoted very serious attention and consideration to this amendment as they consider it is a vital part of the whole revision of the rules and regulations of the Federation and it is hoped that your Committee will be pleased to support it.

J. K. MEHTA,
Secretary.

Note regarding Composition of the Committee of the Federation.

The Committee of this Chamber are strongly opposed to the new rule suggested by the Committee of the Federation with regard to the composition of the Committee of the Federation. The proposal that there should be particular numbers of the Committee assigned to each different class of trade is entirely reactionary and unsatisfactory. Several important lines of trades have been entirely overlooked and it could not have been otherwise for a Committee consisting of 12 or 15 members cannot find room for the numerous trades and industries in this country. The Committee is supposed to represent all Indian commercial and industrial interests and its members are in sufficient touch with trade, commerce and industry to take a well-informed representative view of the questions coming before them. Whenever any particular trade is specifically concerned and does not happen to be represented by any member of the Committee, it is at all times open to the Committee to consult such trade and call for its representative to be present at the meeting. The best course is to get them represented by a particular number of members of the Committee elected at the annual session as is being done now. This is the only fair, just and equitable course to the mind of my Committee and they, therefore, strongly recommend that the new proposal should not be accepted. They are strongly for the continuance of the old rule with this exception that the Vice-President of the Federation should also be elected at the Annual Session just as the President and other members are. As the rule at present stands, the Vice-President is elected at the first meeting of the Committee. The following year the Vice-President according to the convention, becomes automatically the President though formally there is an election. It means that a man who gets the high and dignified position of the President of the Federation may not even have sought the suffrage of his colleagues for election at any time. The procedure is, therefore, my Committee think, antiquated and they suggest that the Vice-President should be elected along with the President and members of the Committee.

My Committee have also suggested the addition of one more member to the elected number, which means that there should be 12 elected members on the Committee.

J. K. MEHTA,
Secretary.

Instances Illustrating the Working of the Suggestions on Rules 7 and 12.

Name of the Body.	Total Unit.	No. of delegates entitled to.	Fees payable to Federation.
The Indian Merchants' Chamber ..	14.½	7	435
Indian Chamber, Calcutta ..	8.2	4	240
Bengal National Chamber, Calcutta..	11.2	6	330
South Indian Chamber of Commerce, Madras	8	4	240
Buyers & Shippers Chamber, Karachi	8.3	4	240
Indian Merchants' Association, Karachi	6.2	3	180
Burma Indian Chamber, Rangoon ..	5.7	3	180
U. P. Chamber of Commerce, Cawnpore..	6.6	3	210
Merchants' Chamber of Commerce, U. P.	5.2	3	150
Mysore Chamber, Bangalore ..	4.6	2	150
Behar & Orissa Chamber ..	2.4	2	125
Grain Merchants' Association ..	6	3	180
World's Traders' Association ..	4.5	2	125
Maharashtra Chamber ..	5.7	3	180
Indian National Steamship Owners' Association	4	2	125
The Bombay Bullion Exchange ..	13	6	390
Bombay Shroff Association ..	8	4	240
Indian Salt Association ..	5	2	150
Marwari Chamber of Commerce ..	7.7	4	240

(*Note.*—These figures are approximate).

APPENDIX 84

Restrictions on entry of Indians into Burma

Telegram dated 6th November 1936 from Chamber to the Private Secretary to the Viceroy.

Attention of the Committee of the Indian Merchants Chamber is drawn to draft instrument of instructions Governor Burma now before Parliament stop it was not contemplated to give Governor power of restriction on the entry of Indians into Burma but power was given to the legislature of Burma to impose such restrictions only on the immigration of unskilled labour and that too after consultation of the Governor of Burma with Government of India stop instrument of instructions now appears to provide for giving power to the legislature of Burma to restrict general entry of Indians into Burma stop such a step will be most disastrous to the Indian interests and will be in contravention of the policy of His Majesty's Government and of the promises and understanding definitely given during the course of the debate in the House of Commons on 10th April 1935 stop Committee appeal to your Excellency to represent to the Secretary of State amend relevant clause by confining restriction on entry to unskilled labour only in consultation with Government of India and not Governor General as now provided.

APPENDIX 85

Resignation of Sir Osborne Smith from the Governorship of the Reserve Bank of India

Letter No. 2936 dated 17th November 1936 from Chamber to Government of India, Finance Department.

The attention of the Committee of this Chamber has been drawn to a communique, dated 30th October 1936, issued by Government with regard to the resignation of Sir Osborne Smith of the office of Governor of the Reserve

Bank of India. In this connection, several reports and rumours have appeared in the Press, causing misgivings in the public minds and particularly in the minds of the Indian commercial community. The resignation of Sir Osborne Smith in itself caused no small surprise to the public, coming as it did so soon after the statement made by the Finance Member in the Legislative Assembly that rumours to this effect were unfounded. But the commercial community are more bewildered by the various and persistent rumours about the reasons for this resignation.

My Committee need hardly observe that though the constitution of the Reserve Bank has not been entirely acceptable to Indian commercial opinion, the Indian business community were becoming accustomed to believe that they could look with increasing confidence to Sir Osborne Smith for the protection of their interests. His outstanding ability, exceptional calibre and sympathetic understanding of Indian conditions engendered high hopes for the success of the Reserve Bank as an efficient controller of Indian currency and credit. The commercial community are, therefore, seriously perturbed by rumours that serious differences of opinion with Government have driven Sir Osborne Smith to resign his position as Governor of the Bank. My Committee are very anxious that nothing should happen to impair in the slightest degree the position, prestige and independence of the Reserve Bank. But they think it necessary to remind Government that when the Reserve Bank Bill was under discussion in the Legislative Assembly Government themselves were most solicitous for keeping the Bank out of any sort of "political influence". If, therefore, there is any truth in the rumoured interference of Government in the management of the Bank, my Committee fear that the confidence of the commercial community will be undermined and consequently the prestige of the Bank will suffer. My Committee trust that these rumours are without foundation and that Government will be pleased to assure the public to that effect.

APPENDIX 86

Lay-out of the Colaba and Queens Road Lands

Letter dated 5th November 1936 from Chamber to the Government of Bombay, Revenue Department.

Your plans for the development of Colaba Railway lands and Queens Road Estate together with the suggestions submitted to you by the Safety First Association of India, have been considered by the Committee, who are of the opinion that the questions raised by the Safety First Association of India are important for the following reasons.

The Association's plans relieve the congestion of the main thoroughfares, and distribute the traffic to and from the buildings situated within these Estates, from the lateral service roads thereby relieving the main thoroughfares of parking and the dumping of materials on the pavements and roads during the period of construction.

They prevent the main thoroughfares being cut by intersecting traffic and must, therefore, prevent congestion and accidents and costs of rectifying mistakes later on.

Parking is a serious problem. (*a*) A car parked on a main thoroughfare is tantamount to reducing the effective width of the thoroughfare. The roads are meant not for the storage or parking of cars, but for the passage of live vehicles.

(*b*) The high-storeyed buildings which are proposed to be erected in these Estates, will provide a concentration point for large number of persons without making provisions for any increase in the capacity of the streets, which are to carry them. My Committee, therefore, concur in the Association's suggestions that arrangements should be made for the provision of a central parking station or stations for the storage of cars.

My Committee are also of opinion that in the development of Bombay, those responsible for Transport should have a voice in the formulation of a well-developed comprehensive plan for Bombay and its environments.

My Committee further think that most cities have outgrown their streets, and have permitted the interests of private land-owners to dictate the methods to be followed in the development of property. This is a position which my Committee believe Government do not wish to subscribe.

The British Government have now recognised the danger of the so-called "Ribbon Development" and are taking Parliamentary action to prevent it.

My Committee trust that the above points will receive due consideration at the hands of Government.

APPENDIX 87

Sydenham College of Commerce Advisory Board—Chamber's representation

Letter No. 7/813 of 1936-37 dated 22nd September 1936 from the Principal, Sydenham College to Chamber.

I have the honour to state that under the reconstitution of the Advisory Board of the College sanctioned by Government for the triennium 1936-39 Government have been pleased to assign a seat on the Advisory Board for a representative nominated by your Chamber. I have accordingly been directed by Government to invite your Chamber to nominate a representative on the Board for the current triennium. I am, therefore, to request you to be so good as to intimate to me in due course for communication to Government the name of the representative so nominated.

Letter No. 2516 *dated* 30*th September* 1936 *from Chamber to the Principal.*

I am directed to acknowledge receipt of your letter No. 7/813, dated 22nd September 1936, and to inform you that my Committee have nominated Sir Rahimtoola M. Chinoy, Kt., President of the Chamber, as their representative on the Advisory Board of your College for the triennium 1936-1939.

Sir Rahimtoola's address is:

"Meher Building,
Chaupatty,
Bombay 7."

APPENDIX 88

Closing of the Small Causes Court on Saturdays at 2 p.m.

Letter No. 1213 *dated* 30*th April* 1936 *from Chamber to Government of Bombay, Home Department.*

The attention of the Committee of this Chamber has been drawn to a representation which has been addressed to you by the Bombay Advocates' Association. The Association has suggested that the Court of Small Causes, Bombay, be closed on Saturdays at 2-0 P.M., so as to be in line with all other Government Offices, Banks and other business offices in the City. My Committee agree with this suggestion, specially as keeping the Court open upto 5-30 P.M. on Saturdays is extremely inconvenient not only to the pleaders, but also to the business community. It is found that Judges of the Small Causes Court have one day off in every week and different Judges have different days off. If however all the Judges are given the same day off, viz., Saturday, there will be no difficulty to have the Small Causes Court closed at 2-0 P.M., as one of the

Judges may well be deputed to attend for half a day on Saturdays to dispose of urgent business. Saturday is observed as a half holiday by a large portion of the business community and it is naturally very inconvenient to them to keep their offices open specially for attending to some work they may have at the Small Causes Court.

In view of all these circumstances, my Committee hope that Government will be pleased to accept the suggestion of the Bombay Advocates' Association, viz., that the Court of Small Causes, Bombay, be closed on Saturdays at 2-0 P.M.

APPENDIX 89

SPEECHES AT THE QUARTERLY GENERAL MEETINGS

Speech of Mr. Rahimtoola M. Chinoy, Kt., President, at the First Quarterly General Meeting held on 28th April 1936.

Gentlemen,

Central Budget

I am placing before you the report of the work done by the Committee during the last three months. The first quarter of every year is naturally very important, as the budgets, both Imperial and Provincial, are presented during this period and sessions of the Assembly and Councils are also held then, which gives an occasion for discussion in the legislatures on questions of commercial, industrial and financial character. The budget presented in the Assembly was marked by a speech from the Hon'ble the Finance Member, who tried to depict the present day condition of the country as prosperous. He had a fling at what he called Cassendra like prophecy of critics of the present administration and placed too much emphasis on the statements of those who were incorrigible optimists. Much of the value of this financial statement was, however, discounted by the fact that one of the colleagues of the Finance Member, namely, the Hon'ble Member for Commerce, had a different tale to tell. He referred to the optimism which actuated Sir Joseph Bhore, the then Member for Commerce, when presenting this budget for the year 1935/36 and observed that "it was somewhat of an irony that even as he was making the budget speech at the House, the clouds had begun to gather and the optimistic anticipations of continuance of improvement in the traffic and earnings had begun to fade away". He also added that railway receipts began to exhibit downward tendency about the middle of February 1935 and since then that tendency had persisted almost unchecked. If one considers these statements from

responsible spokesmen of the Government of India one cannot help thinking that the Hon'ble Sir Muhammad Zafrullakhan, Kt., was much more of a correct palmist to read the situation in the country than Sir James Grigg. Railway earnings are a correct index to the state of the trade in the country, perhaps much more correct than surpluses obtained by artificial means and unnatural and uncalled for taxation. Another index to the prosperity or otherwise of a country is its import and export trade. With regard to this, the balance of trade in the last few years has got its own tale to tell if it is compared with the decade following the War and even with pre-War years. Our representative in the Assembly, Mr. Mathuradas Vissanji, in his interesting speech on the Finance Bill in the Legislative Assembly on the 1st of March wherein he devoted a good space to the consideration of these trade figures, pointed out how "we have now a total Trade of hardly half its pre-depression value—and that without accounting for the depreciation in the Rupee. If we take the gold value of our Foreign Trade today, it will not be much over one-third of the Trade before the depression began". To businessmen these depreciated railway incomes and fallen imports and exports have got a much greater meaning and significance than any theoretical platitudes or spurious theory that surpluses obtained by additional taxation, when no taxation was necessary, connoted any extent of prosperity of the country.

Trade Barriers

This fall in trade is due to some extent to the new trade policies adopted by some of the continental countries. Lala Padampat Singhania in his speech as President of the Indian National Committee of the International Chamber of Commerce observed that "the economic life of the many European countries was still running into the narrow channel of economic nationalism instead of following the broad course of internationalism". *The Times of India* reviewing this speech and Lalaji's other speech as President of the Federation tried to imply that there was a difference

in the view points in both the speeches and that this showed a certain amount of confusion with regard to the right economic policy for India to follow. So far as I can see there was no such confusion whatsoever in the minds of Indian businessmen. You must have read, during the last two or three years, any amount of protests on the part of British and other Statesmen, that they were in favour of pursuing and following a policy of disarmament and yet urging and pleading before their own legislatures a policy of armament or re-armament as it is called, in order to avert the dangers of war and foreign invasion. The position of tariffs and so-called economic nationalism is somewhat analogous. A country has to be prepared against foreign commercial invasion by a scientific and systematic tariff barrier and yet at the same time a country well balanced mentally can cherish the idea that the elimination of such tariffs or at least their reduction is a way towards international peace. India cannot afford to be a catspaw in the hands of amateur free traders for the pleasure of witnessing her trade and industries curtailed and her markets flooded with foreign articles. That is what Lala Padampat Singhania meant and we all mean. We want a systematic and scientific frame of tariff policy and at the same time we want that the whole world should move to the times when international trade will not be hampered by such barriers too much.

Revenue Duties and Protection

The Finance Member observed in his speech made before the Committee of this Chamber that the secondary protective effect of the Revenue Tariff was the most important factor to be taken into consideration and that it was one of the fundamental principles of India's fiscal policy that the primary purpose of the Revenue Tariff was revenue. I should like to demur to this statement. It is true that the duties which are called revenue duties have, as their objective the getting of revenue. But that they have a protective character from the very beginning of their imposition and that both Government and the public

took them to be in this light there is not the slightest doubt whatsoever. You know very well how slow and ponderous is the machine Government have set up for examination of claims of different industries for protection. As long as this machine is there and as long as suitable changes are not made therein, changes of the character recently suggested by the Federation of Indian Chambers of Commerce & Industry, these revenue duties afford the only medium of protection for small industries. It has been our bitter experience during the last few years that what are known as small industries whistle in vain for any adequate protection. Industries like Glass, Healds & Reeds, Woollen and Shuttles which are so primary and important to this country, have had all their claims rejected recently and to these industries whatever revenue duties there are, are the only measure of protection. Side by side with the small industries, conducted by machines, there are industries known as village industries. Government have been evincing an active interest for sometime past in the revival of agriculture and we can take it that agriculture includes the small village industries. I strongly feel that the annual grants which Government have been making for the last two years for rural uplift should be utilised less for shows and demonstrations and more for the real development of village industries. I do not think that there is any clash in interests whatsoever between these village industries and the urban small industries and the larger industries. Rightly viewed they are all parts of one big whole and the economic development of the country pre-supposes the development of all these three parts of the economic machine. It is a happy augury that the revival of village industries is at long last engaging the attention of the Government who have provided budgetary grants for rural uplift. If this leads to the improvement of the peasant's lot, it should prove a source of satisfaction to all.

Agriculture and Industry

The new Viceroy who was Chairman of the Agricultural Commission and who has been known for his

painstaking labours with regard to any task he takes up, will, in all probability, be devoting a good deal of his time and attention to agricultural problems along with the constitutional problems, with regard to which also he has constituted himself as an authority, having been the Chairman of the Joint Parliamentary Committee. It has now become a platitude to say that India is an agricultural country and if H.E. Marquis of Linlithgow after a five years' programme leaves this country with its agriculture vastly improved, he will have rendered a big service to this country. Agriculture and industries are intertwined together and nowhere more so than in this country where industries suffer from the lack of purchasing power of the teeming millions who are living on the land. If the purchasing power of these millions is increased no one will stand to benefit more than the industralists and Government. Interests, therefore, of the agriculturists, industrialists, Government and the general public are intertwined together. If we all move with one common aim and object, namely the betterment and progress of the country, we cannot fail to reach the gaol.

Indo-Japanese Agreement

Both the country and the Government of India will be faced in the near future with a great and complicated problem namely substitution of a new Agreement for the present one with Japan. Commercial bodies are being consulted as to what is their opinion about the present agreement and whether any modifications or otherwise will be necessary for a new one. The whole consideration, at present, being confidential, I regret the views of your Committee cannot be published as long as the proceedings remain confidential. I may, however, consider myself at liberty to say that the problem will not be a simple one. Various interests will have to be considered, among which the interests of the Indian cotton growers and Cotton Textile Manufacturers will probably predominate. There may also arise the necessity for appointing a Trade Commissioner or High Commissioner in Japan to look after the

proper carrying out of this Agreement. It is very essential that after Government receive the views from the different commercial bodies they should have an All-India Committee to review all these views with Government and then to formulate a definite line of action and policy which Government may well adopt. At the time of the last Agreement Government took the cooperation of commercial bodies by having some commercial advisers, but their function was limited and they had to rest satisfied with being in the ante-Chamber. It was not surprising therefore that they could not influence the course of the protocol or the final conclusions. If there is, however, a Committee of the nature I have pointed out it will be in a position to be in touch much more with the realities of the situation and to help Government in carrying on negotiations with the Japanese delegation.

In connection with the Indo-Japanese Trade I have come across a very interesting book called "Eastern Industrialisation and its Effect on the West" wherein a powerful and striking picture is drawn of the contrast between the industrial and financial conditions of India and Japan and the cause which led to the same. Thus the author, Mr. G. E. Hubbard, writes:

"The contrast with Japan is striking. Although contact with the West and the economic transition only began in that country with the Restoration of 1868, once a start had been made, little more than half a century was needed to enable Japan to catch up with the West in the industrial sphere. In Japan the whole energy and resources of the Government and of the former feudal aristocracy lay behind industrialisation; in India the Government left industry severely alone, and for long no Indian industrial leaders appeared. Japan deliberately discarded feudalism and the old attitude towards economic matters; Indian sentiment remained in its old grooves. Japan chose, India merely tolerated Westernisation. In Japan patriotism and loyalty to the Emperor reinforced economic developments, whilst the spread of education popularised the new ideals

and methods, in India primary education was neglected, and the natural leaders were apt to look askance at materialistic ideals. In Japan State paternalism encouraged individual enterprise, and the strong family and paternal sentiment of the country extended to employers and the State; in India caste and the prevailing Hindu joint family system, whilst providing support for the weak and unsuccessful, hindered individual enterprise owing to the absence of the stimulus either of necessity or personal ambition".

Then the author proceeds to state that in Japan modern industries, under the Japanese control, immediately replaced antiquated types of enterprise whilst in India there was a definite hiatus between the decay of the indigenous industries and the rise of factories and large scale concerns, the gap being filled by imports of manufactures. "In Japan the Government established and encouraged railways and modern shipping, mining and manufacturing concerns, and various types of modern banks. In India the Government confined its economic activities to the sphere of public works, e.g., railways, irrigation, and famine relief works, although the great reforms in civil administration eventually had the effect of facilitating economic aad commercial progress. Japan borrowed foreign capital, it is true, but she utilised it herself whereas in India the majority of modern enterprises were financed, controlled and managed by foreigners".

There is much more in the book with regard to financial and other conditions. But I shall not trouble you with more extracts. The extracts I have given are sufficient to show wherein lies our weakness and the strength of Japan.

Indian Shipping

We have recently heard a lot about the Empire Maritime Policy, but where does India come in ! Equality of status as the fundamental principle governing the relations of the members of the Commonwealth has been

recognised by the Conference on the operation of Dominion legislation and merchant shipping legislation and it is this principle which has secured for their Parliaments not only the right to regulate their coasting trade in such manner as they like, but also the full and complete power to enact legislation relating to Merchant Shipping. India alone as a part of the Empire has been excluded from the benefit of this equality of status. When Mr. Asaf Ali asked the other day in the Legislative Assembly what steps would be taken to secure for India the same equality of status so that India might have full and complete power to enact legislation in respect of Merchant Shipping and to regulate its coasting trade in such manner as she likes, the Commerce Member referred him to the relevant provisions of the Government of India Act, 1935 !

It was in 1933 that Sir Harry Haig told the Legislative Assembly that the India Office had forwarded to them the representations received from the British shipping interests to the effect that in future all civil and military servants serving under the Government of India and receiving the benefit of the Lee Passage and concessions should go home on leave or return from home to India only in ships flying the British Flag and added that they need not necessarily assume that these representations would be accepted. Within a year, however, these representations had their effect on the Government of India who urged upon all Officers entitled to concession passages to travel only by Empire ships which in practice meant British ships only! This is the Empire Maritime Policy in action which means an annual gift of a little over half a crore of rupees to British shipping. While I presume it was for the benefit of this Empire Shipping that the Government of India turned down the very reasonable proposal for a very moderate financial help of our Shipping Magnate and his friends for starting a fast passenger service between Bombay and Europe !

But this is not all. Mr. Runciman, as the President of the Board of Trade, referred to the difficulties of British

Shipping in the House of Commons in 1934 and appealed to the Dominions and India for cooperation and emphasised that their views would be sought as to the possible lines of help. We do not know whether the views of India as to the lines of cooperation were sought or not, since the Commerce Member refused in public interest to divulge the contents of the communication which the Government of India received from the Secretary of State in this connection. The result was that the circular was issued calling upon public and semi-public organisations to import their goods only by Empire Ships which in practice would mean an overwhelming proportion of British ships only. The Commerce Member assured the Assembly that the Empire Shipping included Indian Shipping and although Indian Shipping had no existence whatsoever in the Overseas Trade, added "in common with the rest of the Empire, India benefits". India continues to be the Cinderella of Empire Shipping though she is at every step proclaimed as being a valuable link of the British Empire. How long will the Government of India continue to sit with their hands folded while the just claims of Indian shipping are ignored!

Speech of Mr. A. D. Shroff, Vice-President, at the First Quarterly General Meeting held on 28th April 1936.

Mr. President and Gentlemen,

Ottawa Agreement

The country must express its gratitude to the Legislative Assembly for resolving to give notice for the termination of the Ottawa Agreement. A close study of the various constituent items making up our import and export trade with Great Britain clearly demonstrates that the Agreement has not worked to the advantage of India as was claimed in 1932 by the Government. A few benefits, prominently brought out in the first year's working, like the export of linseed from India have proved to be ephemeral and seasonal. I am sorry to refer in this connection to

the propaganda which is being engineered by some scare-mongers that the termination of the Ottawa Agreement would lead to a serious dislocation of India's foreign trade and that India would lose her market in the United Kingdom. This is either the cry from interested quarters or from people who have not cared to make a close study of the question. Whilst the commercial community has advised termination of this agreement as a purely business proposition, it is at the same time prepared to negotiate a fresh agreement which would secure for India a complete *quid pro quo* and is not based on considerations other than the mutual economic benefit of the two countries. Supporters of Ottawa Agreement recommended its acceptance to the country, among other reasons, on the ground of promoting goodwill between the two countries. It is really sad that the very niggardly fashion in which the British Parliment has responded to this gesture of goodwill in granting political powers to this country is hardly calculated to encourage a repetition of such a gesture now from India.

Company Law

A very important piece of legislation which will now engage the attention of the Assembly will be a Bill for the amendment of the Indian Companies Act, 1913. The law regulating the incorporation, working and winding up of Joint-Stock companies in India has long become out of date, and I congratulate the Government of India and particularly the Law Member on the earnestness and care with which they have now taken up this question. After an investigation through a special officer Government prepared a draft Bill which was submitted to an informal Committee composed of representatives of different interests concerned. With the guidance obtained from the deliberations of this Committee the Law Member recently introduced a Bill in the Legislative Assembly and referred it to Select Committee. A commercial Chamber like ours naturally represents vested interests which are directly affected by the various provisions of this Bill, but I would like you all to look at

the amendments proposed in the light of the present-day requirements and to appreciate that the Company Law is being sought to be amended for the sole purpose of encouraging industrial enterprise through the formation and working of Joint-Stock companies on a well-ordered and progressive basis. That the existing law is not satisfactory has been admitted by every interest concerned including the Managing Agents themselves. I would also like the vested interests to bear in mind the rapid growth and spread of socialistic ideas in the country, which fortunately are still confined to very few persons, but you cannot for all times dam the onrushing tide of ideas which demand a gradual narrowing of the disparity between the haves and have-nots and for modifying the existing form of capitalism. I consider it in the highest interests of those responsible for the running of our industries that they should be prepared to move with the times and whilst taking care to safeguard their legitimate interests, they should not stand in the way of reasonable reform. No honest industrialist, whether he be a Managing Agent or not, has anything to fear from the very mild provisions in the draft Bill which are aimed at purging the Managing Agency system of some of its parent abuses and thus to create confidence amongst the investing public in the attractiveness of industrial investments. As I have said in another connection, if the reasonable and practicable is denied, the impossible will be demanded. I trust, therefore, that no unreasonable or unmeaning opposition would be offered to the amendment of the existing law on the lines laid down in the draft Bill.

Whilst it is not possible for me today to examine in detail the one hundred new clauses of the draft Bill, I may refer to a few of them which appear to me to be of outstanding importance. I would refer particularly to clause 41 of the amendment Bill. I believe that it is one of the serious weaknesses in the industrial finance of this country that companies are floated without adequate capital and particularly without making provision for working capital. Numerous have been the instances within our experience that soon after companies are started they are short of

capital and have to resort to various devices like raising debentures on block account, thus depriving the shareholders from the very outset of the security created out of their own subscriptions. The requirements of clause 41 if finally accepted by the Legislative Assembly, will have the salutary effect of checking the flotation of companies on lines which have become peculiar, for instance, to Ahmedabad where the paid-up capital forms a small proportion of the total moneys invested, the bulk of which is raised in the form of twelve-month deposits. This is a fair-weather system of finance and even in our recent experience has led to the collapse of several companies which were known to enjoy in the past very high credit but which failed to appreciate the weakness of leaving the paid-up capital as a small fraction of the total capital expenditure incurred by the company. This clause by providing for a minimum subscription of 33 1/3rd per cent of the share capital offered to the public for subscription or a sum which will cover the fixed capital expenditure, preliminary expenses and working capital, whichever of the two sums is higher, lays down very sound fundamentals of industrial finance and must be welcomed by everyone who desires our industries to be started and worked on healthy lines.

Clause 35 of the amending Bill deals with the Managing Agency system. One of the provisions deals with the remuneration of the Managing Agent in regard to companies incorporated after the commencement of this new amendment Act. I believe that one of the greatest abuses of the Managing Agency system in India is the freedom left by the existing law to the Managing Agent to adopt any basis for determining his remuneration. Where the remuneration of the Managing Agent is determined on the basis of a fixed percentage of the net annual profits of the company with provision for a minimum payment in the absence of profits, even the most vehement critic of the Managing Agency system will concede it as a fair basis for remuneration; but when this remuneration is determined on the basis of production or sales, regardless of the profits made by the company, that basis lacks equity and is calculated

to encourage inefficiency and indifference on the part of the Managing Agent regarding the profitability of the industry he manages. I find some opposition to this proposed amendment from certain interested quarters, and it is claimed that no such provision is found to be existing in any other country in the world. These critics, I am surprised, forget that the Managing Agency system does not exist anywhere in the world in the form in which it has come to be established in India. It is also claimed by the critics that the amendment proposed "cuts right across the right to the freedom of contract". It is true that the existing Company Law does not recognise the Managing Agent as such and has, therefore, hitherto allowed the continuance of this licence to exact any remuneration that the Managing Agent liked. Those who claim the continuance of the enjoyment of this freedom of contract hardly need to be reminded that this freedom has been violently abused to the entire prejudice of the development of industries in the country in that, it has undermined the confidence of the investing public in the profitability of industry. It would be entirely against public policy to allow such licence to continue, and I cannot imagine the vested interests provoking more violent changes in the existing arrangements than by persistently claiming this freedom of contract, which may more aptly be described as a licence for personal exploitation. I am glad that a number of Managing Agents, inspired by enlightened self-interest, not only in Bombay but outside have expressed their acquiescence to the proposed amendment, and I hope that on reconsideration all Managing Agents, whether in Bombay, Ahmedabad or Calcutta, will realise the futility of opposing a very desirable change in the existing arrangement, which change they may perhaps succeed in obstructing for a time but looks inevitable in the course of the next few years. My only suggestion to Government and the Legislative Assembly is that this amendment should be made applicable to the existing Agency Agreements as well after say, a notice of five years.

The provision to restrict the period of the Managing Agency agreement to twenty years in the first instance is

conceived on very sound lines in that it at once ensures stability in management and periodical revision of the terms and conditions, but I cannot understand why the existing Agency agreements should not be terminated after a short notice from the passing of this amendment Act and made subject to renewal under the provisions of the amendment Bill.

My greatest disappointment with the amendment Bill is that the Government have still neglected to deal comprehensively with the recommendations of the Central Banking Committee. I should personally prefer a Special Banking Act to regulate the formation and working of banks in this country. If Government are really solicitous of promoting the economic betterment of this country, comprehensive legislation based on the recommendations of the Central Banking Committee ought to be undertaken by Government without further delay. I believe that with the inauguration of the Reserve Bank, Government have now been better placed both in regard to guidance and machinery for a proper and adequate regulation of the banking business, and it really baffles us why Government have been putting off this important legislation for the last so many years.

Economic Condition and its Cure

As a commercial association this Chamber is not directly interested in the pronouncements and programmes of political party leaders except insofar as they have a bearing on the commercial and economic life of the country. Pandit Jawaharlal Nehru in his Presidential address at the Lucknow Congress has definitely expressed himself in favour of a programme which cannot merely be regarded as Socialism pure and simple. The extremes of wealth and poverty, the incredibly low standard of living generally prevalent all over the country, the existence side by side of the princes with their shocking extravagance and the toiling peasant struggling for a bare sustenance, the growth of industries on a large scale with the concomitant evils of an increasing labour population mainly illiterate, living in

slums and without hope for betterment in life, cannot but be the breeding ground for socialistic tendencies. Pandit Jawaharlal no doubt spoke with conviction and after deliberation, but it is equally undoubted that his programme and the cure for the evils prevalent are engendered by a feeling of despair resulting from a callous and nonchalant *laissez-faire* attitude on the part of the ruling authorities of this country. The Government of India and the Provincial Governments have been times without number reminded of the growing economic unrest in the country, unrest which has been accentuated during the present trade depression by a phenomenal drop in agricultural prices driving people to the last necessity of disposing of their slender savings in the form of gold trinkets and ornaments for keeping their body and soul together. Furthermore, the alarming increase in unemployment amongst the educated youngmen of this country has been a significant pointer for many years past, but it has still been disregarded by the ruling authorities. The Sapru Unemployment Committee Report ought to serve as a fresh reminder both to Government and public in general that unless some action on a well-considered basis is now taken immediately hungry stomachs with intelligent heads will only lead to the further spread of ideas and of a philosophy of life which cannot but prove most disturbing to the existing order of society. The Government of India have through the mouth of their accredited spokesman, Sir James Grigg, ridiculed suggestions for economic planning and are claiming credit for refraining from idiotic action. Their policy so far has been one of complete drift. Whatever they have done hitherto in amelioration of the much-emphasised misery has been done without definite policy and in every case too late to be adequately fruitful. Their action may well be compared to that of the Russian peasant, who in order to repair a hole in the back of his garment, took off a piece from the other portion of the garment and patched up the front and thus went on doing indefinitely till the whole garment was a series of patches. The responsibility of Government, therefore, in allowing the economic conditions of this country to worsen to the existing low level and consequently of driving people in a feeling

of despair to panaceas of the character suggested by Pandit Jawaharlal Nehru cannot now be questioned. Let not Government forget that the impossible will be asked only when the reasonable and the practicable is denied; for it is only when the possible is made difficult that people fancy the impossible to be easy. I believe even now it is not too late for Government to move immediately in the direction of appointing an Economic Council which should be entrusted with the task of preparing a coordinated scheme for the handling of our economic problem in its various ramifications, viz., the raising of the standard of living of the average inhabitant of India. Any such scheme will have to include measures for the wider spread of literacy and a drastic change in the existing educational system to impart a vocational and industrial bias. Since the controversy between the late Mr. R. C. Dutt and Lord Curzon on the intricate question of the effect of the Land Revenue system in impoverishing the Indian agriculturist, sporadic action in the shape of tenancy legislation in certain Provinces has been taken to protect the actual tiller against the landlord; but the fundamental issue of the relation of the burden of land revenue assessment to the continued poverty-stricken condition of the agriculturist still awaits a scientific investigation and a well-considered solution. Surely it cannot be beyond the wit of men to devise a system which would provide relief to the agriculturist by adjusting the demands of land revenue and cognate dues to the return he obtains from the land. The inequity of the existing arrangements is pathetically laid bare in our experience of a few wealthy Zamindars permitted by law to enjoy the increasing unearned increment provided by the Permanent Revenue Settlement whilst millions of agriculturists are hard put to collecting sufficient cash to meet the rigid and unadjustable demand of the Land Revenue Collectors. It is high time Government now took courage in both hands and modified the entirely indefensible and one-sided Permanent Revenue Settlements and I have no doubt that public opinion will be entirely with Government. Any well-planned economic policy must mean a complete

re-orientation of the attitude of Government towards the industrial development of this country. As Montford Report says, the economics of a country with 80 per cent of its population dependent on agriculture must be unstable economics. I believe that apart from developing large-scale industries, there is a vast field for the establishment of cottage industries. As John Bright said, "The nation lives in the cottage". These will relieve the pressure on land, remove intellectual deadness and stimulate accumulation of capital. Sir James Grigg's clap-trap grants for rural uplift are once again a tragic repetition of aimless spending which cannot bring us the maximum return for every rupee of our slender resources.

Reverting to Pandit Nehru's speech, there is one particular point of view which affects us as a commercial association. Apart from the undesirability at this juncture in the history of this country of evoking class harted between the haves and the have-nots, Pandit Jawaharlal Nehru has indulged in a very serious self-contradiction when he wants a rapid industrialisation of the country and at the same time preaches the abolition of private property. Pronouncements of this character coming particularly from a person in the position of the President of the most important political organisation in the country are more likely to injure the best interests of this country if they result in checking industrial enterprise and in encouraging flight of capital from India. It is no doubt a matter of no small relief to know the President of the Congreess does not express the majority view of the Party, but it will not pay the country to be blind to the stern realities of the situation that the use of the organisation and the machinery of an influential Party like the Congress for the spread of such ill-considered ideas and policies in the existing conditions of widespread economic misery is fraught with consequences which may more easily be imagined than described. The commercial and industrial community of this country, in my opinion, must make it perfectly clear to the Congress that the most vital economic interests of the country are being endangered and a most undesirable and,

if I may say so, anti-national feeling of class war is fostered by the teaching of the philosophy of which the President of the Indian National Congress is the author. On the other hand, I should also like the Indian commercial and industrial community to make it equally clear to the country that they are not standing in the way of securing minimum conditions of comfortable living for those engaged either in the factories or in tilling the soil, and that any scheme or plan towards that end which may be evolved by the Government or the Congress will meet with their sympathetic consideration. The commercial and industrial community will always be prepared to move with the times, though the new requirements may entail an increasingly heavy burden and reduce correspondingly the attractiveness of further commitments. But in seeking relief for our economic conditions we have primarily to obtain our political freedom, and I would appeal to the Congress not to disturb that complete unity with which the country today demands from Great Britain concession of what is in justice due to us.

Speech of Sir Rahimtoola M. Chinoy, Kt., President, at the Second Quarterly General Meeting held on 11th August 1936.

Gentlemen,

The Report of the Committee of the Chamber for the Second Quarter of this year is before you.

Indian Companies' Act Amending Bill

The principal question, which occupied the attention of your Committee during this quarter, was the Indian Companies' Act Amending Bill. The last occasion on which such an amending Bill was introduced in the Legislature was in 1913, and it has taken almost a quarter of a century to introduce again an amending Bill which was long

overdue, looking to the changes that have taken place in the body economic. It is a truism now to say that the world after the War is not the same as the world before the War. Just as there have been almost revolutionary changes in the body politic, and in the body social, there have also been revolutionary changes in the mechanism of trade and industries. Looking to these changes the demand of those people who wanted the Companies' Act to be amended in conformity with the needs of the times cannot be considered as either premature or exaggerated. A still greater reason for such a demand was afforded by the changes wrought in the British Companies' Act, on which the Indian Companies' Act was originally based. There were also certain incidents which gave a point to the demand of the reformers for having the Companies' Act amended. The Bill drafted by the Government of India was more or less a fair compromise between different views and the Committee of your Chamber supported the Bill in important respects and made certain suggestions of their own. Your Committee have realised the importance of the legislation now proposed and held about three dozen meetings of the Sub-Committee and the Committee to consider the question in all its different aspects. It was a difficult task set before your Committee, as such a piece of legislation naturally brought forth conflicting views. It speaks much for the spirit of compromise which actuates members of your Committee and their earnest desire to do what best they can to further the interests of trade and industries that so many meetings were held and so much time was devoted to the consideration of this amending Bill. As you will have observed, the representation drafted by your Committee and forwarded to Government steers a middle course between two sets of opposite views—one view being that the present Companies' Act is all that can be desired and that there is no necessity for changing it, and the other being that the whole of the Companies' Act needs to be overhauled and the managing agency system abolished. The interests of the country lie, to my mind, in steering a middle course, as the situation with regard to industriali-

sation demands the continuance of the managing agency system though under certain safeguards and restrictions. The Select Committee of the Legislature is now sitting to consider the question and its Report will soon be submitted to the Assembly. For the present, we have to wait and see in what shape the Bill finally emerges from all these discussions.

Report of the Indian Tariff Board

The report of the Indian Tariff Board recommending a reduction in duties on piecegoods of British manufacture was a great disappointment and what was more surprising was that the Government of India should have displayed such indecent haste in giving effect to the Tariff Board's recommendations by executive orders over the head of the Indian Legislature without giving the Legislature an opportunity of considering the Tariff Board's recommendations. Not much sympathy is being shown by the Government of India for the industrial progress of this country and the action of the Government of India to which I have just referred is an instance in support of my statement.

In this connection, it is interesting to note that the Federation of British Industries and other commercial organisations approached the British Government, only a short while ago, with a suggestion that duties on several foreign imports should be greatly increased so that there might be no competition between these and British industrial products. If British industries stand in need of protection —and a very strong protection too,—it passes one's understanding how Indian industries which are still in their infancy can be expected to stand against foreign industries without any measure of protection.

His Excellency the Viceroy is taking a very keen and genuine interest in the development of agriculture. These efforts of his for raising submerged India deserve commendation and support of all. May I however, at the same time, point out that the development of agriculture

will proceed apace only if, side by side, there is the development of industries? India does not, surely, want to go back to the condition of being purely an agricultural country, depending for all her requirements in manufactured goods on foreign countries. His Excellency will earn the gratitude of all if he devotes some of his attention also to the development of industries, without which India will not be the proverbial "bright jewel" in the Crown of the Empire.

Railway Finances

The railway policy of the country is also looming large at present before our eyes. The railways were once an earning asset, but have now become a losing asset, and the powers-that-be have not evidently learnt, viz., that it will not be, and it cannot be, by a policy of higher freights and heavy passenger fares that the ebb in railway revenues can be averted. It can only by cheaper freights and cheaper passenger fares that the railways can again be made the attractive proposition they once were. Railways are proposing to increase freight rates on hundreds of articles. This will be a great hardship both to agriculture and industries and will at the same time divert rail traffic to roads which is stated to be already making inroads into railway earnings since some time past in this country. We drew the attention of the Chief Commissioner of Railways and the Financial Commissioner of Railways to this point when we met them on Friday last. Sir Joseph Bhore was the first Indian Member-in-Charge of the Railways and the Hon'ble Sir Muhammad Zafrullakhan is the second Indian Member to hold this portfolio. A unique opportunity is thus placed in his hands to introduce radical reforms in the Railway administration, and we hope that in the interests of the country at large he will be able to do it.

Abyssinia and the League of Nations

The last act in the Abyssinian drama was played out in May when the Italians formally annexed Abyssinia and called it the Abyssinian Empire. This flouting of

practically the unanimous vote of the League of Nations and the sentiments and the feelings of the world at large by an individual nation is almost unprecedented even in this world of unfairness and injustice. The allied statesmen while the Great War was going on were calling it the war to end wars and the Versailles Treaty was intended to prevent wars in future. That Versailles Treaty which was hailed with satisfaction by all the nations and which led to the establishment of the League of Nations as an International Arbiter is now being condemned and the fate of both the Versailles Treaty and the League of Nations is under consideration by all the signatories to the League of Nations. While the League of Nations has rendered very useful service in the field of social and industrial work, publication of statistics relative to economical and financial problems of the world, it has proved itself unreal and farcical in character in so far as promotion of peace and prevention of wars between nations are concerned and if the League is to function as a successful International Political organisation, the constitution and composition of the League will have to be considerably altered. Let us hope the efforts of our Statesmen towards this objective will be ultimately crowned with success.

Inter-Provincial Trade Barriers

With the growth of Provincial Autonomy, as envisaged in the Government of India Act, we may naturally look to a provincial self-consciousness. This will, to a certain extent, be for the good, as people will strive their utmost to develop their provincial trade and industries. There are certain aspects of this however which may not be so favourable, and I should like to sound a note of warning. We are already coming to realise that provincial jealousies and rivalries have begun to play their part, side by side, with communal jealousies and rivalries. We have seen how the various Provinces have each passed its excise rules and regulations to suit its particular needs and to make itself a self-contained unit and impose barriers against the products of other provinces. This has happened to

spirituous preparations and may happen with regard to other products also. The Indian States will also be part of the Federal Unit. Even at present there are discriminations and differences between their own State products and British Indian products and this spirit may also be seen spreading further when the Government of India is constituted fully on federal lines. On such occasions and with regard to such questions, the Central Authority should try to get all the parties together so that a definite policy can be laid down, eliminating provincial rivalries and jealousies. Thus with regard to Excise questions, a conference may well be called by the Central Government at present and the differences in excise rules and regulations may well be attempted to be smoothed out. We have no Federal Government as yet, and the task perhaps is not also very difficult now as it may prove in future after the establishment of the Federation. The experiment however of the Central Government calling a conference for settling provincial differences may well be tried now. Not that it is a new thing, but it may be tried now with regard to industrial rivalry. My predecessor in this Chair envisaged an India without any tariff barriers. If the national industries are really to be developed, there should be such a free trade India, as otherwise provincial jealousies may work to our detriment in the same manner as communal rivalries and jealousies have.

Speech of Mr. A. D. Shroff, Vice-President, at the Second Quarterly General Meeting held on 11th August 1936.

Mr. President and Gentlemen,

The Government of India have been engaged at present in negotiating a fresh trade agreement with Japan. This is a matter of very serious concern to the commercial and industrial community of India, and it is indeed gratifying that the Government of India this time took the non-official advisers representing different interests in their confidence

in a preliminary conference. Indian commerce was duly represented at this conference, and as you will have seen from the papers, all the non-official advisers including representatives of the cotton trade have submitted to Government a joint and unanimous memorandum embodying their views as to how the existing trade agreement with Japan should be modified in the light of the experience of its working since 1933. It is now a matter of common knowledge that whilst the operation of the fixed quota assigned to Japanese imports of piecegoods made possible the expansion of the production of the Indian cotton mills, the continuous decline in the prices of Japanese imported piecegoods has severely reduced the margin of profit to the Indian manufacturer and has in many cases been driving cotton mills either to close down or to work at a definite loss. This unfortunate experience has defeated the very objective of the protocol between Japan and India designed to regulate the unlimited flooding of the Indian market with Japanese piecegoods. I am sure the entire commercial and industrial community stands behind the demand put forth by the non-official advisers, that the quota granted to Japan should now be reduced if the Indian industry is to be allowed a living chance of securing fair selling prices for its products. In putting forth this demand the non-official advisers had full support of the cotton trade, the interests of which are also proposed to be safeguarded by the insistence of Japan being called upon to buy a minimum of one million bales of Indian cotton every year.

A very important lacuna in the existing agreement with Japan is the omission to safeguard the position of small industries in India, most of which are in a state of infancy and have grown up under the incidental protection provided by the present level of revenue customs duties. All these small industries lack both organisation and resources to secure necessary protection for their growth and expansion and have in recent years had to face increasing competition from Japanese imports, which are being put on the Indian market at almost continuously

declining prices. It is very significant to note that whilst imports from all countries into India have declined since 1930-31 from Rs. 165 crores to Rs. 134 crores in 1935-36, imports from Japan for the same period have increased from Rs. ·15 crores to Rs. .22 crores. Out of these imports the total cotton manufactures including twist and yarn have increased from Rs. 7.66 crores to Rs. 8.81 crores, whilst the balance is made up by the increasing imports of miscellaneous goods which compete with the products of the small industries of India. I trust that the recommendations of the non-official advisers will receive proper attention at the hands of the Government of India and that the new agreement will embody definite provisions for safeguarding the position of the small industries.

In reviewing the trade position between India and Japan I am sure you will be struck with one very important factor, which explains the disability of the manufacturers of this country to effectively resist the Japanese competition. It is an open secret that the national Government of Japan stands entirely behind every Japanese industry. The financial policy of that great country is a link in the chain of a coordinated economic policy directed towards the expansion of Japanese industries and finding larger markets for Japanese products throughout the world. I personally feel very doubtful if even with all the resourcefulness, enterprise and perseverance of the Japanese industrialists, they could ever have obtained that measure of success which is intriguing the most experienced industrialists of the West today without that elever manipulation of the Japanese exchange which has enabled the Japanese manufacturer to mount over the highest tariff walls raised by different countries of the world. For the same period for which I have quoted above statistics of imports of Japanese goods into India it may be of some interest to you to know how the Japanese exchange which has moved. The monthly average of the Rupee-Yen exchange in 1930/31 was about 137, whilst the monthly average of the Rupee-Yen exchange in 1935-36 was about 78. In order, however, to make the position

more truly comparable, I would take figures for 1931/32, as in September 1931 India in common with the United Kingdom gave up gold and the rupee was linked to sterling. The lowest monthly average of the Rupee-Yen exchange in 1931/32 was 119.2, the highest during that year being 173.1, whilst in 1935/36 the monthly average was about 78. The decline in the Rupee-Yen exchange during this period illustrates the increasing ability of the Japanese manufacturer of cotton piecegoods, among other things, to compete successfully with the producer of similar goods in India particularly when the Indian manufacturer had neither a national Government behind him, nor is the existing Government of India, which is a subordinate branch of the Government at Whitehall, a free agent to regulate the Indian exchange in support of a policy of discriminating protection to Indian industries. This is only one illustration of our many-sided experience which leads me to the inevitable conclusion that even though the Commerce Membership of the Government of India may be held by the most rapid protectionist in the country, his success in protecting Indian industries would, to a large extent, be thwarted by what I may describe as the negative exchange policy of the Government of India. Fiscal autonomy to be true for India will have at any time to include complete and unfettered freedom to regulate the financial and exchange policy of this country.

Commerce and Industry can only thrive under conditions of general stability, both political and economic, and lackadaisically as one looks around, there is very little in the political situation to make for such stability. The wanton aggression by Italy and the virtual annexation of Abyssinia by Italy in defiance of the collectively expressed opinion of fifty nations of the world through League of Nations have imparted a rude shock to the belief in the continuance of the existing order of things anywhere in the world. The world, and particularly the backward and weaker nations of the world, have had their faith weakened in the efficacy of the League of Nations as an instrument for maintaining world peace. In more than one country

we hear angry, though perhaps hasty; demonstrations to give up membership of the League of Nations. The working of League of Nations since its inception has revealed, among other things, its inherent disability to operate effectively in every instance where any one big Power has found it in its own interests to defy the League. The defiance of Japan in Manchuria and the impotence of the League in checking Japanese aggression have only served to encourage Italy to repeat the performance with perhaps greater sensational effect on the world. The annexation of Abyssinia by Italy is bound to put premium on the grievance of Germany for loss of her colonies and he would be a bold man who can prophesy today what other countries will not advance similar claims or may fabricate excuses for interested aggrandisement. Perhaps there was no period in modern history when sanctity of treaties and respect for plighted word, the more supine appears to be the attitude of the other big Powers, owing to their anxiety to avoid entanglements on a world-wide scale. This atmosphere of complete insecurity has naturally engendered a race for superiority in armaments, and when all the available money in the world is most urgently needed for helping the world out of the economic depression, increasing amounts are being spent in almost every important country in the world to augment their military, naval and aerial equipment. The United Kingdom, for instance, which is the first to experience recovery from world depression, has had to face this year an increase in income-tax to find more money for the 300 million re-armament programme. Governmental activity in this direction, of course, provides temporary stimulus to selected industries, but it undoubtedly disturbs confidence in the stability of present conditions and makes fresh enterprise in industry almost impossible. I can well understand hesitation on the part of merchants and traders throughout the world under the existing circumstances of increasing uncertainty to take even the normal risk of business for the very obvious reason that what are the normal risks of business may develop overnight into abnormal and unforeseenable difficulties.

In the economic field, France must be held mainly responsible for the continued uncertainty created by the ceaseless struggle to maintain the gold standard. Though, hitherto, that country has succeeded in keeping franc anchored to gold, the internal situation in that country, added to the complexities in international politics, does not warrant hope in the ultimate success of that policy, and unless the French currency policy is guided in the immediate future by a long-range view, the world might again be plunged into a race for depreciation of currencies, which can only result in intensifying the chaotic state of world economics.

Coming back to our own country we find that for the first three months April—June our exports have improved to 42.36 crores compared to 38.21 crores for the same quarter last year. Imports during the same period have declined from 33.34 to 29.96 crores. Gold continues to be exported, though on a smaller scale than during the previous years and is partly offset by imports of silver which continues to attract buyers at the present low level. The small merchandise balance in our favour is of course quite inadequate to pay for our invisible imports in the shape of "Home charges" etc., and the annual balance of our international indebtedness is for the present being liquidated by exports of gold. It is difficult to forecast how long gold exports will continue, but it is clear as day light that unless there is a substantial improvement in the prices of our primary products which constitute the bulk of our exports, the curtailment of gold exports may plunge us again into an era of chaotic exchange and finance. Whilst I am prepared to admit that countries in Sterling area have in recent years enjoyed greater stability than those anchored to gold, I am also convinced and confirmed in my opinion which I experienced in September 1931 that the advantages of the link to sterling cannot be uniform for all its adherents since the regulation of the value of sterling has necessarily to be determined by a policy calculated to further the best interests of the industry and

export trade of the United Kingdom. I submit that our experience since September 1931 confirms my fears that these interests cannot be identical with our interests.

As already pointed out in the earlier portion of my speech, our cotton industry is not making any money and is threatened with a further deterioration in its financial position owing to the entirely unremunerative level of price for its products. The Jute industry which was supposed to occupy an impregnable monopolistic position is partly affected by the world depression and partly by internal dissension within the industry itself. It is a matter of extreme regret that Government of India continues to be an unconcerned onlooker and refuses to intervene when every day of internal warfare cannot but ultimately weaken the whole industry. The coal industry still lives on hopes that one fine morning it might awaken to meet the pleasant surprise that Government have made up their mind to come to its rescue.

A number of small industries have, in recent years, sprung into life but at the moment their existence has been rendered precarious by severe competition from Japan.

There are, of course, a few purple patches. The Steel Industry has had an exceedingly good year and has fully justified the protection granted by the legislature. Equally flourishing is the Cement Industry which, in my opinion, has still immense scope for expansion. There has been a continuous increase in the number of companies for the supply of electric energy and who can deny the almost limitless field for expansion of this business. Incidentally, I may state that the experience of the operation of these companies suggests the necessity of some stringent regulation to ensure that the consuming public is not unduly mulcted and that as a utility service the law ought to prescribe that the increasing prosperity of the business should be shared with the consumers in the shape of reduced charges.

But the economic health of a country like ours is entirely misjudged by an exclusive reference to the state of its industry. There is no noticeable improvement yet in the prices of our primary products and the depressed state of agriculture finds its reflection in the continued necessity for remission and suspension of land revenue in various parts of the country. The following comparative table of the prices realised for some of our important exportable commodities makes instructive reading :—

	Volume of exports 1926/27 *taken as* 100.	*Value of exports* 1926/27 *taken as* 100.
	1935/36	1935/36
Rice	68.5	33.22
Linseed	85.7	54.4
Coffee	144	76.6
Tea	89.6	68.2
Tobacco		
Unmanufactured	100	90.7
Castor seed	58.8	40.67
Groundnuts	112.22	69.41
Cotton	106.6	57.6

The Commercial community is naturally very intimately concerned with the plight of the agriculturist and any effort directed towards his amelioration must carry with it their sympathy and support. I, therefore, welcome the active interest evinced by His Excellency the Viceroy in the agricultural economy of India and only wish that his genuine solicitude for the improvement of the miserable lot of the Indian peasant may be translated into a well-considered programme of rural relief and uplift. The problem of Indian agriculture is a problem affecting the daily life of 80 per cent of our huge population and gratefully appreciate, as we may, the well-intentioned efforts of the Viceroy, I feel that very little material good can ultimately result unless Lord Linlithgow succeeds in changing the angle of vision both of his and Provincial Governments regarding their primary responsibility to secure the well-being of the man who lives on the land.

Even a cursory survey of our economic situation emphasises the necessity of a close and careful study to find a correct way out of the present difficulties. I believe it is the duty of us all, irrespective of our political attachments and affiliation, to get together and make a supreme and concentrated effort towards this end. May I suggest in this regard that a conference of leading men in India, who are accustomed to take active interest in the study of our economic problems, be convened with a view to formulate a national economic programme—a programme which embodies the greatest common measure of agreement amongst all men who are responsible for moulding public opinion in India. The utility of such an effort is two-fold. Firstly, it will not make possible for Government any longer to evade their responsibility on the score of a lack of constructive lead by Indian public opinion; and secondly on the eve of the inauguration of the new Provincial Governments such programme, in so far as it may be carried out by Provincial Governments, may well serve as a guiding star to the elected Ministers.

Speech of Sir Rahimtoola M. Chinoy, Kt., President, at the Third Quarterly General Meeting held on 3rd November 1936.

Gentlemen,

The Report of the work done by the Committee of the Chamber during the last quarter is before you. The last quarter was, as it were, a legislative quarter, it being characterised mainly by the legislative activities going on in Simla. The Indian Companies' Act was on the legislative anvil, first before the Select Committee and then before both the Houses of the Legislature. As I have already mentioned more than once, and as your Committee also have referred to it, this particular piece of legislation passed recently was of a historic character. The original Companies' Act, to which the present is an amendment, was passed in 1913, and the quarter of a century between

1913 and 1936 has been one of the most revolutionary and unsettling not only in the history of this country but, I may say, in the history of the whole world. It was natural, therefore, that the world of trade and industries in India underwent so remarkable changes that a new Companies' Act was found to be absolutely and essentially necessary, specially when the British Companies' Act, on which it was modelled, had itself been subjected to the surgeon's knife almost radically. The passage of the Bill in the Assembly took about three weeks, and the credit for its ultimately being placed on the Statute-book undoubtedly belongs to the Hon'ble the Law Member who, with untiring patience, piloted the Bill successfully. Sir Nripendra has shown a remarkable legal acumen as also an able statesmanship in the handling of this Bill and the different problems connected with it in the Legislature. Credit is also due to the different parties in the House, which in all their amendments and discussions showed that they were guided mainly by considerations for the interests of the country at large and not by any prejudices and party principles. The Act, as it now is, after passing through its final stages, has set at rest the fears entertained in some quarters regarding the future of the Managing Agents, as it did not allow the process of wool-shearing to such an extent that the sheep would die. At the same time, there has been a healthy restraint placed upon the powers of Managing Agents in response to the demands of their critics and in consonance with the spirit of the times. It is to be hoped that Sir Nripendra will, with equal success, pilot the Indian Insurance Companies Bill in the next session to safeguard the interests of Indian Insurance Companies and the policyholders, and then the Merchandise Marks Bill, both of which pieces of legislation are long since over-due and with regard to which we have been assured repeatedly by Government that they would be introduced in near future.

Devaluation of the Rupee

The last quarter was characterised also by a revolutionary change which came over the world of finance.

Since England went off Gold in 1931, a tussle had been going on between the Gold and Sterling blocs in Europe and doubts were entertained in several quarters as to how long the Gold countries would be able to continue their policy in view of world circumstances which were changing rapidly. The blow ultimately fell when France devalued her Franc and went off Gold. She was followed by Holland, Switzerland and Italy, which countries also devalued their currencies. The repercussions of this cannot but affect this country, and this question was attempted to be discussed in the Assembly through adjournment motions. An adjournment motion was once ruled out of order by the Governor-General and at another time it was discussed and lost by the President's casting vote. We have by this time known the views of the Hon'ble the Finance Member regarding protection, currency, etc., and it was not surprising that he should have opposed *in toto* the demands put forward by the opposition.

Your Committee considered this question recently and have decided to address Government on this issue. In the first place, it should be borne in mind that the valuation of Rupee at its present parity should not be considered as a settled fact once for all. In fact the preamble to the Reserve Bank of India Act admits that it was expedient to make temporary provision on the basis of the existing monetary system and to leave the question of the monetary standard best suited to India to be considered when the international monetary position had become sufficiently clear and stable to make it possible to frame permanent measures. A decade has passed since the Currency system in this country was reviewed by the Royal Commission on Currency and this decade has witnessed several remarkable transformations in the currency policies of different countries and currency theories of economic experts. International currencies have not yet been stabilised and the recent action taken by different Governments has opened up a new trend of thought on different economic theories. Even the British Government in their statement recently issued mention that His Majesty's Government must of

course in its policy towards international monetary relations take into full account the requirements of internal prosperity of the countries of the Empire as corresponding considerations would be taken into account by the Governments of France and U.S.A. Surely, then, it is not too much we are asking when we demand that a review should be taken of the existing situation and the valuation of the Rupee be fixed accordingly.

The devaluation of the pound (£) has led, on the admission of British statesmen themselves, to the relief of unemployment and to a development of trade and industries in Great Britain. It is argued that when the pound went off Gold and the Rupee followed suit, the latter was devalued to the extent of 40%. That is true; but the devaluation effected here was not adequate as the overvaluation of the Rupee in relation to sterling prior to September 1931 was allowed to continue uncorrected. What is wanted at present is an enquiry which will examine the internal situation as well as foreign conditions and recommend what is suitable for this country. The Hon'ble Sir James Grigg wanted to imply that such a review as was referred to in the preamble to the Reserve Bank of India Act was taken by the Government of India; but surely, a mere departmental review is not what the country asks for. What it needs and asks for is a review in collaboration with some of our best businessmen and not a review conducted behind the purdah exclusively by Government experts.

Trade Negotiations

Trade negotiations of an important character likely to affect the future of this country to a large extent were initiated in the last quarter: one was the Indo-Japanese trade negotiations and the other was the Indo-British trade negotiations.

Indo-Japanese Trade Negotiations

With regard to the Indo-Japanese Trade Negotiations the country has been given an opportunity of knowing

what its principle business bodies and leaders of commerce think about these negotiations and about the demands India should legitimately make for being incorporated in any Indo-Japanese Trade Agreement. It was expected that these negotiations would be closed by September or October, but this expectation proved too optimistic, and so far as one can see the negotiations are either at a stand-still or are being slowly dragged on. A dense veil has suddenly descended over these negotiations, the mystery of which is not lessened by the fact of the departure of Mr. T. A. Stewart for England to enjoy his leave or perhaps to enter into negotiations with the British Government. All that we know is that the Government of India has given notice to terminate the Indo-Japanese Trade Agreement, though this is more or less perhaps a formal affair. The Government of India should set at rest the doubts and suspicions in the minds of the people by speeding up the negotiations and issuing a statement as to how the situation stands at present.

Indo-British Trade Negotiations

With regard to the Indo-British Trade Negotiations, Government selected Sir Purshottamdas Thakurdas, Mr. G. D. Birla and Mr. Kasturbhai Lalbhai to represent Indian Commerce and it may be said that it is a fitting choice. Press reports mention that they have submitted a report, though we do not know what its contents are.

In the meantime, Government have renewed the Ottawa Agreement until such time as any other agreement is arrived at. This Agreement was definitely repudiated by the Assembly, and Government at the time clearly gave it to understand that they considered themselves bound by the decision of the Assembly. It would have been proper if Government had taken the opportunity of consulting the Assembly with regard to the renewal of the Agreement, instead of bringing it about just after the session had closed.

Railway Finance Enquiry Committee

Another issue on which the business community feels sorely aggrieved is the appointment of the recent Railway Finance Enquiry Committee with an all-British personnel. This reminds one of the action taken by the late Lord Birkenhead as Secretary of State for India while appointing a Commission to consider the political advancement of India from which all Indians were deliberately excluded. The Railways are the biggest asset of the country and one fails to understand why the Committee appointed to examine this most valuable asset should not include prominent Indians whose mature judgment and ripe experience would have been of the greatest value to Government in their investigations. Such exclusion of Indians, on the eve of political reforms which, according to a recent pronouncement of His Excellency the Viceroy, will give rise to a new democracy and change the political future of the country, is not calculated to inspire hope for the future or confidence in the bureaucracy. To add insult to injury a correspondent of an Anglo-Indian paper recently wrote to the effect that an all-British personnel was necessary because the British capitalists had got a large stake in the Railway asset! I have referred to this preposterous piece of writing merely to show what mentality is still being displayed by a certain section of the press.

European Situation

The European situation has, if I may say so, gone from bad to worse during the last quarter. Those who believe that the Universe is governed by moral Law, are net surprised that, following the repudiation of Abyssinia by the League of Nations, Europe should now be on the eve of meeting its nemesis over the Spanish question. I am afraid that Europe is on the brink of a situation which is much worse than what existed before the incident at Surajeve took place on that fatal day in 1914.

Speech of Mr. A. D. Shroff, Vice-President, at the Third Quarterly General Meeting held on 3rd November 1936.

Gentlemen,

Railway Enquiry Committee

The state of railway finances reflected in an unbroken period of Railway Budget deficits for the past several years cannot but be a nightmare to the Government and people of this country. The Committee of this Chamber have repeatedly urged Government to institute a thorough enquiry into railway finances with a view to bring the State-owned Railways on a paying basis. Besides, Sir Otto Niemeyer's important recommendation, accepted by Government, makes the Federal Government's assistance to the Provinces dependent upon the contribution of the Railways to the Federal revenues in future. This means that the success of the new Provincial Government, which will be run by elected Indians, will be conditioned by the improvement in the Railways, and it is, therefore, but meet and proper that every attempt should be made to overhaul the railway finances and put them on a footing to enable the Federal Government to allow the Provinces to participate in their improved finances. In response to this insistent demand for an inquiry Government have recently appointed a committee consisting of two Railway experts from the United Kingdom, assisted by officers of the Railway Board. That the personnel of the Committee should fail to inspire confidence in the Indian public is but obvious in that, Government have shown characterstic disregard for Indian opinion, which naturally feels insulted in the implied suggestion that Indian talent is not available for a study and examination of the railway problem. I should like to record my most emphatic protest against the presumption on the part of Government that the problem of railway finances is one which can only be tackled by Railwaymen and that businessmen are incapable of both comprehending the problem and finding a right solution for it. So far as technical expert assistance is needed, it is certainly welcome,

though Government have always insisted in making the public of this country believe that the Railway Department is equipped with the best available technical men. Our main criticism against the management of Railways in India by Government is that whilst Government have also agreed that the Railway Department is a commercial department, it is run, to our experience and observation, in the most unbusinesslike manner. Take, for instance, the question of the third class passenger who constitutes the most important source of railway revenue in the passenger traffic. No commercial company would treat its most valued customer and patron in a manner that is calcultaed both to insult and to drive him away as is being done by the railway management in India. Instead of looking after the amenities of the third class passenger, the cost of which would be more than repaid by the increased traffic attracted, the railway management so far has done little to ensure the loyalty of the most valued customer. Take also the case of railway rates and freights. A close scrutiny of the railway rating system lays bare the unsound and unbusinesslike basis on which it rests. When some of the most glaring and incomprehensible disparties in rates are brought to the notice of your Committee by merchants engaged in different branches of trade, one is really left to wonder if the Railway Department is not still actuated by the real motive which originally prompted the building of Railways in India; and I need hardly recapitulate that the original motive was not so much to promote trade and commerce as to enable the British in India to maintain his political hold over the vast country through a network of railways. Time and again your Committee have brought to the notice of the Railway Department the entirly untenable basis on which railway rates and freights are regulated, and the failure of the railway authorities to set right these disparities has meant discouragement of trade in certain natural and legitimate channels. Instead of adjusting the railway rating policy to the stimulation of movement of goods, which would bring more grist to the railway mill, it is becoming a growing fashion to attribute the decline in railway earnings to the policy of

discriminating protection followed by Government. It is, of course, true that as soon as protective duties in the case of any particular goods become effective, the direction and character of the goods traffic borne by the railways must also change, though it need not necessarily be the case that the volume of traffic affected should be considerable. The railway authorities, however, seem inclined to forget that the grant of protection to any industry in the country, which in every case is the result of very exhaustive and elabarate examination, is made with tne definite objective of bettering the economic life of the country, and it is difficult to believe that if the railway policy is sympathetically coordinated with the fiscal policy of the country, the net result would be a diminution in the prosperity of Railways. It is in finding right solutions for questions like these as well as the difficult problems of current valuation of railway assets, the allocation of proper amount for depreciation, the purchase of railway stores, the working of railway collieries, etc. that the cooperation of Indian businessmen is needed to supply the correct business outlook and to subject the conclusions of experts to the test of commercial utility. The absence of representative Indian businessmen on a Committee of enquiry into railway finances means that Government do not wish this problem to be handled from the Indian point of view. The supreme over-confidence of the Britisher in the infallibility of his own judgment is, if I may put it bluntly, bound to react in the form of a natural suspicion amongst Indians that their interests must inevitably be subordinated in the absence of their point of view being pressed in the examination of the problem. We Indian businessmen are often criticised for being suspicious of British intentions. But I am entitled to ask any impartial and dispassionate observer if the manner in which Government have decided to examine the railway problem is not one calculated to strengthen our suspicion, particularly in the light of our very serious disappointment with the provisions of the new Government of India Act relevant to the administration of railways in the future. It has been declared from house-tops that a very important department like the railways will be

a transferred subject and that the main responsibility for the administration of this most valued national asset running into Rs. 800 crores will rest in future with elected Indian Ministers in the Federal Government. Are we not then entitled to ask if in the opinion of Government the examination of the railway problem through an entirely non-Indian Committee is the best method to equip us for shouldering this widely advertised responsibility in the future ? Government, in my opinion, are missing the essence and reality of the Indian demand for freedom to manage their own affairs if they have not the imagination to appreciate that we want our affairs to be managed according to our own ideas, though that may inevitably involve committing mistakes in the initial stage. I suggest that it is not yet too late for Government to invite one or two representative Indian businessmen of standing to collaborate with the British Experts in overhauling our railway finances.

Settlement with Maritime States

Bombay along with other British India ports has suffered very acute competition and considerable loss due to diversion of trade to the Kathiawar ports for some years past. I do not wish to review in detail the reasons for this diversion of trade. Suffice it to say that Bombay had always had a very strong case and had fortunately succeeded, though after very great delay, in convincing the Government of India of the very unfair competition to which Bombay port had been subjected. I am one of those who refuse to believe that this diversion to a very large extent would be justified by natural and understandable factors, and I am glad to have this opportunity of according unequivocal approval to the energetic steps recently taken by the Government of India in protecting the port of Bombay from avoidable loss and damage. Government of India could not as a matter of fact be indefinitely indifferent to our problem, as the loss of trade to Bombay also involves a considerable loss of customs revenue to the Government of India. The arrangements, we are informed, have now been reached with all the

maritime States excepting Bhavnagar, and I only trust that the firm attitude taken up by the Government of India will also result in a fair and mutually beneficial final settlement with the Bhavnagar State. Your Committee have also recently drawn attention of the Government of India, through Mr. Nind, who recently paid us a visit, that the Cutch State which has all along been treated for purposes of customs as a foreign State, ought to receive the close attention of Government, and your Committee understand that Government are looking into the matter. Incidentally, I may mention that it has been brought to the notice of your Committee that certain martime States which have so far claimed freedom to regulate their own customs have not been reluctant to discriminate against the entry of goods manufactured in British India. This attitude, on the part of these States is absolutely incomprehensible to us, particularly when we are shortly to enter into a political Federation, one of the essential requisites of which is to maintain a sort of zollverein, that is to say, complete freedom of the movement of goods within the territories of all the federating States and British India Provinces.

Indian Exchange Bank in London

I do not think that a review of events during the past quarter would be complete without reference to the opening of the Central Exchange Bank, Ltd., London. This is the first time in the history of modern joint-stock banking that a bank under Indian auspices has been incorporated in London with the express object of doing exchange business. The progress and development of joint-stock banking in India have been continuous and steady throughout the last many years, but Indian banking so far has restricted itself to ordinary commercial banking business and has not attempted to enter the field of foreign exchanges, which has continued to be the close preserve of non-Indian banks. The Central Bank of India deserve to be congratulated on their enterprise in being the first to develop exchange business, and I am sure I will be repre-

senting general sentiments of the Indian commercial community when I wish that Bank all success and prosperity in their new venture.

Indian Shipping and Overseas Trade

An event of no less importance and interest to Indian commerce is the registration recently of a company named Hind Lines, Ltd., with the object of entering into the new field of overseas shipping. The history of Indian shipping enterprise makes a very sad tale, and literally a good few crores of Indian capital have been sunk in the uncharted seas of this business. Fortunately the continued and dauntless efforts of some of the Indian shipping companies have recently succeeded in obtaining for Indian commerce a sure foothold, let us hope for all times, in the coastal trade of India. I, of course, do not mean to suggest that the share of Indian shipping in the coastal trade of India at present is anything which may be called adequate or satisfactory, and I have not the slightest doubt that Indian shipping companies carry with them the full support and backing of the country in their persistent efforts to obtain a larger share, which is only but legitimate and natural. Attempts, however, in the field of overseas shipping have so far proved most unfortunate. The powerful British and foreign shipping companies have had an exclusive field to themselves in the matter of carrying passengers and goods to and from Indian ports. The registration, therefore, of Hind Lines cannot but be a matter of satisfaction and pride to us in India, and I trust that every patriotic Indian will welcome this national project and support it wholeheartedly both by subscribing to its capital and by patronising its boats when the Company actually comes into operation. In commending this project I am not unmindful of the numerous difficulties and handicaps which Hind Lines will have to confront. Of all Governments in the world, Government of India stands out today for its indifference, if not callousness, towards the development of an Indian mercantile marine. A project like Hind Lines would in any country which has its own Government be welcomed

and supported by the available resources of the country. From a recent debate on an adjournment motion in the Assembly the public of India have been made aware of the most apathetic attitude of the Government when approached by the promoters of the Company. As a part of the notorious Lee loot, Rs. 55 lacs of good Indian money is poured out year in and year out into the coffers of British and other shipping companies, and yet Government of India have declared their inability to arrange for a part of this India's good money to be diverted towards the encouragement of one Indian shipping company. The real development of an Indian mercantile marine both for coastal and overseas business demands the same sort of attention and treatment which Government of India bestowed on the building of Railways in India. Perhaps it is not generally known that British capital, which was raised to build Railways, continued to earn a guaranteed rate of interest which was found out of the revenues of India, as for nearly half a century the Railways were not in a position to earn sufficient to pay the British bondholder. But a request by this Company for a guarantee of 3% interest, we are told, has been turned down by the Government as a burden which the Finance Department cannot face with equanimity, a mere Rs. 7½ lacs in a budget of Rs. 130 crores. As the late Sir Surendranath Banerjee once said "There is no greater tariff wall beyond which industries can grow in India except swadeshism," and I take it that all patriotic Indians will realise for themselves that if India is to develop overseas shipping, at least for some years to come it will be only through the efforts that we ourselves make and not through any assistance or encouragement that we may derive from Government.

Federation and the Indian States

The scheme of a Federal Government at the Centre, which has been embodied in the new Government of India Act, has been condemned in all political quarters in India. The complete distrust of Indians to manage their own affairs in the domain of Central responsibility has been thinly veiled

under the screen of a so-called Federation, as it is claimed by the British politicians that the Association of Native States with British India can alone create confidence of British Parliament in the stability of India. The Federal scheme has been so conceived as to deny at every possible stage the transfer of real responsibility into Indian hands. But all the imperfections visible on the face of the provisions of the Government of India Act, which have made the scheme entirely unacceptable to British India, have been further aggravated by the reservations and restrictions which the federating States have now been demanding before accepting the Instrument of Accession. In an earlier part of my speech I have referred to what I may describe as the anti-national policy of some of the Native States in imposing heavy duties on the import of swadeshi goods into their States. One would have normally assumed that once the Native States agree to federate with the Provinces of British India, they accept the elementary and fundamental basis of the Federation that there shall be complete freedom of trade within the entire territory of the Federation. What, however, I am most amazed to find from the recent discussions in Bombay amongst Native States is the demand put forth that they shall continue to enjoy unrestricted freedom to levy such duties as they like on the imports of goods into their States. But that is not all. I am really surprised that it has not struck the Rulers and Ministers of Native States that if all the restrictions and limitations they demand are conceded, the entire idea of Federation, however loose-knit and hotchpotch it may be, would be lost. No school of political thought in India has shown any enthusiasm for federating with the Native States on the basis and terms embodied in the Government of India Act, and one need not be surprised if the demands put forth by the Native States now result in active opposition amongst the politically-minded Indians to the very idea of Federation.

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